

**GAO**

History Program

March 1988

**John E. Thornton**

1935-1976



1935-1976



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John E. Thornton

1935-1976



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# Preface

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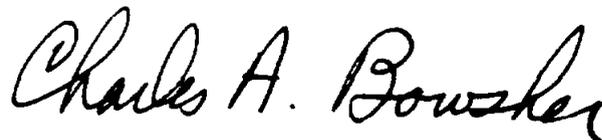
The General Accounting Office (GAO) was established by the Budget and Accounting Act of 1921. Since then, new legislation and modified policies have been adopted that enable GAO to meet the needs of the Congress as it comes to grips with increasingly complex governmental programs and activities.

GAO has initiated a History Program within its Office of Policy to ensure that the basis for policy decisions and other important events are systematically recorded for posterity. The program should benefit the Congress, future Comptrollers General, other present and future GAO officials, GAO's in-house training efforts, and scholars of public administration.

The primary source of historical data is the written record in official government files. A vital supplement contributing to a better understanding of past actions is the oral history component of the program. Key governmental officials who were in a position to make decisions and redirect GAO's efforts are being interviewed to record their observations and impressions. Modern techniques make it possible to record their statements on videotapes or audiotapes that can be distributed to a wider audience, supplemented by written transcripts.

John E. Thornton served GAO from 1935 to 1976 under five Comptrollers General and attained the position of Director, Field Operations Division. He was interviewed on September 8, 1987, by a present and a former GAO official (see p. vi) at Los Angeles, California. This document is a transcript of the audiotape. Although a number of editorial changes have been made, GAO has tried to preserve the flavor of the spoken word.

Copies of the audiotape and this document are available to GAO officials and other interested parties.

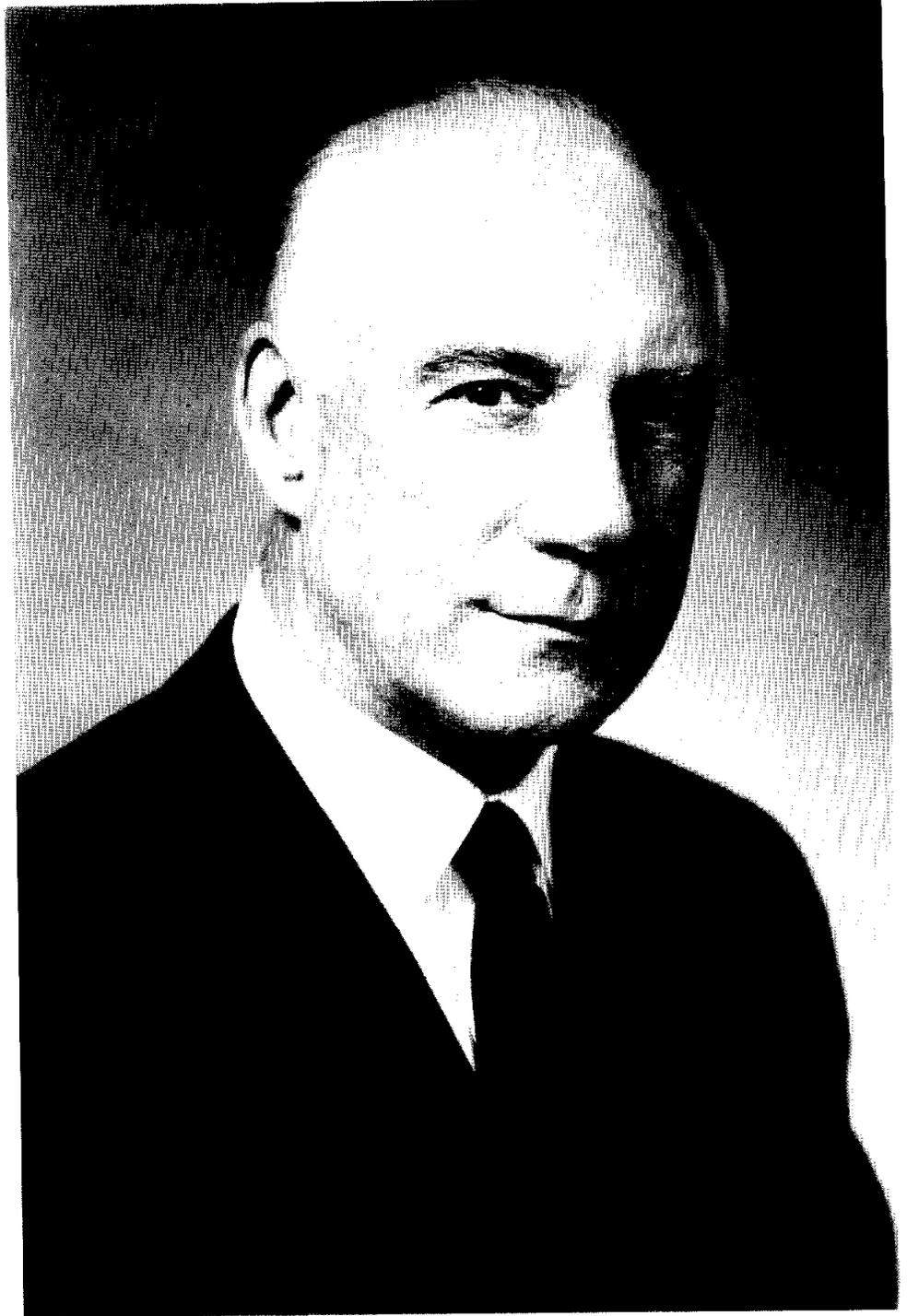


Charles A. Bowsher  
Comptroller General  
of the United States

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# John E. Thornton

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# Biographical Information

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## John E. Thornton

Mr. Thornton served on the staff of the United States General Accounting Office (GAO) from 1935 to 1976 under five Comptrollers General. He was born on April 29, 1909, in Providence, Rhode Island, where he received a degree in accounting from Bryant-Stratton College in 1930. He is a certified public accountant (California).

Mr. Thornton joined GAO in Washington, D.C., after 4 years of experience in accounting and finance in the private sector. From 1936 to 1954, he was assigned to GAO's field staff primarily in California and assumed increasing responsibilities leading to the positions of Chief of the Western Zone and thereafter Regional Manager of the San Francisco Regional Office in November 1952.

In 1954, Mr. Thornton returned to GAO's headquarters in Washington, D.C., and became Assistant Director for Field Operations in the Division of Audits. Between 1956 and his retirement 20 years later, he served as the Director of the Field Operations Division responsible for overseeing the activities of GAO's regional offices located throughout the United States. He received the GAO Distinguished Service Award in 1968, the Comptroller General's Award in 1972, and the National Civil Service League Career Service Award in 1975.

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# Interviewers

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## Henry Eschwege

Henry Eschwege retired in March 1986 after almost 30 years of service in GAO under three Comptrollers General. He held progressively more responsible positions in the former Civil Division and became the Director of GAO's Resources and Economic Development Division upon its creation in 1972. He remained the Director after the Division was renamed the Community and Economic Development Division. In 1982, he was appointed Assistant Comptroller General for Planning and Reporting.

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## Werner Grosshans

Werner Grosshans became Director of the Office of Policy in December 1986. He began his diversified career as a government auditor in 1958 in the San Francisco Regional Office and held positions of increased responsibility; he was appointed Assistant Regional Manager in 1967. In July 1970, he transferred to the U.S. Postal Service as Assistant Regional Chief Inspector for Audits. In this position, he was responsible for the audits in the 13 western states. In October 1972, he returned to GAO to the Logistics and Communications Division. In 1980, he was appointed Deputy Director of the Procurement, Logistics, and Readiness Division, and in 1983 he was appointed Director of Planning in the newly created National Security and International Affairs Division. In 1985, he became Director of the Office of Program Planning, where he remained until going to the Office of Policy.



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**Abbreviations**

ADP	automatic data processing
AEC	Atomic Energy Commission
AICPA	American Institute of Certified Public Accountants
CCC	Commodity Credit Corporation
CPA	certified public accountant
DCAA	Defense Contract Audit Agency
FOD	Field Operations Division
GAO	General Accounting Office
ID	International Division
NSC	Naval Supply Center
OM	Office Memorandum
RFC	Reconstruction Finance Corporation
TVA	Tennessee Valley Authority
UCLA	University of California at Los Angeles



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# Interview With John Thornton

## September 8, 1987

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### Biographical Information

Mr. Eschwege

John, we are trying to get some information here about your 40-plus years in the General Accounting Office [GAO] under five Comptrollers General. We know that there is already some material available that was obtained by Roger Sperry when Elmer Staats retired. Roger focused largely on just the 15 years; we want to get information from the beginning to the termination of your tenure in GAO. So, we might not cover things in as much depth as Roger did. We might repeat a little bit, that is okay; but we are really interested in your entire career in GAO.<sup>1</sup>

The period before you got into field operations, first as the Assistant Director and then the Director of Field Operations: that really involves a lot of information on what GAO looked like way back then in 1935 when you came in and how things evolved over the years until 1976 when you left us of your own free will. We did not blame you after 41 years; that is a lifetime as far as work is concerned.

First, we just want to get a little biographical information. Were you born in Providence, Rhode Island?

Mr. Thornton

Yes.

Mr. Eschwege

I see. I figured you were, but I could not really find it in the record and I wanted to establish that. And I know you went to Bryant-Stratton College.

Mr. Thornton

Yes, it was kind of a business college. Something like Strayer's in Washington.

Mr. Eschwege

And like Benjamin Franklin in Washington, D.C.?

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<sup>1</sup>A transcript of the interview with Roger Sperry on June 17, 1980, is on file in GAO.

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Mr. Thornton Yes.

Mr. Eschwege And then you did take some extension courses?

Mr. Thornton Here at UCLA [University of California, Los Angeles].

Mr. Eschwege And you got your CPA [certified public accountant] certificate from California. Are you still practicing here?

Mr. Thornton I never practiced at all.

Mr. Eschwege You did start out with another firm, Colonial Finance Corporation, and you worked in credits and collection; so you had some private experience.

Mr. Thornton Actually, I was keeping the books too. It was an automobile finance company and then they merged. I was with a mortgage company first, United Bond and Mortgage. They merged with Colonial Finance and Colonial's name hung on. And then we were in both the second mortgage business and the automobile finance business. I guess we made some more loans too, some pretty big ones; it varied.

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## Entering GAO

Mr. Grosshans How did you get started then with GAO?

Mr. Thornton I took the Civil Service exam for a Federal Land Bank examiner. You had to meet certain requirements before you could sit. I got a passing mark, and the next thing I knew I got this letter saying "You have a job in GAO." I did not even know who GAO was.

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Mr. Eschwege                      Why did the Federal Land Bank recruit for GAO?

Mr. Thornton                      Well, they had a Civil Service register. I guess GAO elected to recruit off that register; I was not the only one.

Mr. Grosshans                      Do you recall at what grade you came in?

Mr. Thornton                      Yes, GS-4.

Mr. Grosshans                      Do you recall what pay that was in those days?

Mr. Thornton                      I think it was \$1,800.

Mr. Eschwege                      That is what my records show. You were called an assistant auditor.

Mr. Thornton                      Yes, that is probably right.

Mr. Eschwege                      Do you recall who in GAO interviewed you, if anybody, or did you just show up?

Mr. Thornton                      No, I just showed up, that is all. But I think W. W. Richardson was the Personnel Director in those days. We probably went through his office and signed some papers, but I do not recall exactly...

Mr. Eschwege                      This was actually in Washington?

Mr. Thornton                      Yes.

Mr. Eschwege                      You had to pay your own way to get to Washington?

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Mr. Thornton Oh, sure.

Mr. Eschwege Those were the old days, huh?

Mr. Thornton Those were the old days.

Mr. Eschwege Well, most new employees still pay their own way to get to Washington.

Mr. Thornton I guess you do on fixed appointments.

Mr. Eschwege But that was a long way. No, wait a minute, you were in Rhode Island.

Mr. Thornton Well, Rhode Island was not too bad, really.

Mr. Eschwege Yes. You stayed in Washington for about a year, is that right?

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## Auditing Agricultural Programs

Mr. Thornton Yes. I was a desk auditor; I was doing Civilian Conservation Corps auditing, and that was a part of the payroll group. I did not think I was going to last out the year. And back when I left Rhode Island, they said if you are not happy, we will hold the job for you. So, I was a little too proud to go back anyway, even though at times I felt like it. Then they opened up an audit of the Cotton Price Adjustment Program. They looked for volunteers to go to the field; it was a preaudit, by the way. So I said, "I will go," and I went down to Athens, Georgia. Then they sent me over to Auburn, Alabama. Some place in here it says Albany, Alabama, but it is Auburn. It is where the state college is. And I worked on that program there a bit; then I went over to Stillwater, Oklahoma, and worked out there.

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Mr. Eschwege                      When you came in 1935, were there any other people that came in with you that we might know or that were known around GAO later on?

Mr. Thornton                      I think George Sullivan, do you remember George?

Mr. Eschwege                      Yes.

Mr. Thornton                      I think he came in, in that group. And Phil Horan, remember Phil Horan; they just brought in quite a few, you know, from the boondocks you might say.

Mr. Eschwege                      They went out with you to the field, too?

Mr. Thornton                      No, some of them did not elect to go. You see, I was single in those days and I would go anywhere. So, I moved a little further and met my wife in Missouri.

Mr. Eschwege                      Oh, she is not from out here?

Mr. Thornton                      No, I met her in Columbia, Missouri. We got married in Columbus, Ohio, when I was working over there. And I used to run back and forth to Columbia on a holiday weekend to see her. Anyhow, it just shows you how you move around. And, then after that, the cotton program came to an end; that was a one-time program. Then, they had the soil conservation program; that went to all farmers.

    The first program was just for cotton farmers for 1 year, and the other went on for a number of years; it may still be going on. They got paid for cutting back acreage, I guess in the days of...who was the Secretary of Agriculture then?

Mr. Eschwege                      I would not know who the secretary was then; oh, wait a minute, yes, Wallace. Was it Henry Wallace?

---

Mr. Thornton Yes, I think it was Henry Wallace. They were cutting back acreage and paying for soil-building practices. You know, you did a certain number of things, you got so much an acre; if you cut back, you got so much per acre to cut back.

Mr. Eschwege Yes, these programs tended to repeat themselves even into the 1950's and 1960's.

Mr. Thornton Yes, they went on for quite a while.

Mr. Eschwege There is something like that even to this day.

Mr. Thornton So that was interesting. I think, as I recall, I went up to Lincoln. I think that was my first stop on that program: Lincoln, Nebraska.

Mr. Eschwege Is this still when you did the preaudit as opposed to the postaudit?

Mr. Thornton Preaudit, yes. I understand that Wallace, the Secretary of Agriculture, did not want to be going back after overpayments to try to collect from farmers. So he wanted that precaution of having GAO make a preaudit, and he would feel that much more confident. I won't say something could not have slipped through, but he was getting that benefit of a preaudit. It would eventually have been made on a postaudit basis.

Mr. Grosshans You would actually look at the request coming in from the farmers...

Mr. Thornton Yes, we would receive the application; it would show what the allotments were and what his acreage planted was. They had fellows going out checking on it, I guess. Then, they computed the payment, you know, on corn, wheat, or whatever he happened to have on the farm. Then for carrying out soil-building practices, the farmer got so much. The practices were all numbered, like A-1 might be doing this and B-1 something else. Then we had a bunch of comptometer operators who computed the whole thing. They went right over it and checked all the

computations. So when the auditors got it, all they were looking for was to see if there was any error in the way the documentation was handled. It was not a complicated audit, but it took time.

Mr. Grosshans

Did you actually go out into the field and check to see whether they cut back on the acreage or anything? You did not do any of that type of auditing?

Mr. Thornton

No, we did not do that type of auditing.

Mr. Eschwege

Then after it was paid, nobody came back to question the payment because you had already looked at it before?

Mr. Thornton

No, we had made the audit.

Mr. Eschwege

You did make a postaudit, too?

Mr. Thornton

No. I think there was some test-checking, maybe, by the audit group to see whether anybody was falling down on the job. But, basically, no real audit. That is what Agriculture wanted. They did not want to have to go back after payment had been made and try to collect from farmers; they probably would not have gotten it anyway. But it would be a task. It was a big volume thing.

Mr. Eschwege

Who was your boss in those days, in Washington, let's say?

Mr. Thornton

Gary Campbell. He became an Associate Director. I think he was in charge of the Post Office audit eventually.

Mr. Eschwege

Was he the one in Claims, later on?



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Mr. Eschwege Yes, he was educated in Nebraska but a native of Iowa. Did you know him a little bit by reputation, what people thought of him?

Mr. Thornton Well, I think he had a good reputation.

Mr. Eschwege From what research I did, apparently he was perhaps not too serious a candidate, but he was a proposed Republican candidate, I should say, for President after he left GAO. Of course, that was in 1936, I guess it was pretty clear that Roosevelt would win reelection.

Mr. Thornton They were willing to sacrifice anybody.

Mr. Eschwege He was at least mentioned.

Mr. Thornton Had he been a congressman? It seems to me he might have been.

Mr. Grosshans No, he worked for Senator Norris in his campaign and then...

Mr. Thornton Yes, Norris was from Nebraska.

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Lindsay Warren

Mr. Eschwege Yes. We will get to him later. Lindsay Warren was a congressman.

Mr. Thornton Yes, from North Carolina, wasn't he?

Mr. Eschwege For almost 3 years following McCarl, you had no new Comptroller General. What happened was that President Roosevelt did not nominate anybody, and Richard Nash Elliott was acting at that time; you never met him?

Mr. Thornton Never met him.

Mr. Eschwege We will get back to that a little later.

Mr. Grosshans We had lunch with one of Lindsay Warren's sons recently; Henry was there. It was interesting; apparently, Warren was approached in 1936 to take the job at which time he was a congressman and not interested in making the change. He was again asked in 1938 before they asked Brown, and again turned it down. The third time when Roosevelt asked him in 1940, he took the job. He was one of the individuals that was asked but had turned down the job.

Mr. Eschwege The next Comptroller General was Fred Brown, who did not stay very long. He stayed about 14 months and he got sick. Do you know anything about him?

Mr. Thornton Not a bit. You see, I was in the field in those days. We did not know too much about what was going on.

Mr. Eschwege They did not come out to see you guys?

Mr. Thornton No, they did not.

Mr. Eschwege Then, of course, there was Lindsay Warren. I am sure you met him?

Mr. Thornton I think so. I think when we came in to Washington, they usually rolled us by to say hello.

Mr. Eschwege He was there for 14 years. Do you recall any conversations with him?

Mr. Thornton No, I might have come in with a group to say hello.





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Mr. Grosshans                      You mentioned Mr. Campbell was trying to professionalize GAO more. Could you elaborate on that? And also, how did we decide—do you recall back in 1957, I think it was—to go out to the campuses? That was the first big year of recruiting; how did that come about? Do you recall that?

Mr. Thornton                      I think Leo Herbert might have been somewhat involved in that. I think he was on board then because that was where he came from: a campus someplace. He wanted to hire the best people we could get. So, we went out and recruited. We needed people.

Mr. Eschwege                      Charlie Murphy did this before him, too; do you remember him?

Mr. Thornton                      Charlie Murphy, oh yes, I remember Charlie. Who could forget him?

Mr. Eschwege                      Are you still in touch with him by any chance?

Mr. Thornton                      No, I lost track. Then, Bob Long, I guess, was in there around that time, wasn't he?

Mr. Eschwege                      Yes...

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Ted Westfall

Mr. Thornton                      Initially, there was a man who came from Oklahoma, just ahead of Bob Long, as Director of Audits.

Mr. Grosshans                      Ted Westfall.

Mr. Eschwege                      Ted Westfall—we have talked to him.

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Mr. Thornton                    Well, I met Ted at the Petroleum Reserve No. 1 up here in California. I think that is how I got back to Washington. I think he remembered me when I did business with him up there.

Mr. Grosshans                    That was where they hired him actually.

Mr. Thornton                    Out of that job?

Mr. Grosshans                    Yes, out of that job.

Mr. Eschwege                    Well, Ted talked to us about you. He did remember you, and he thought you were a very useful person to have around.

Mr. Thornton                    Well, that was nice of him. But I knew nothing about oil. I was just going up there, and luckily we had a man on the staff who had some experience in the area. So, we went up and we got along fine with Ted.

Mr. Eschwege                    That must have been around the period between, what, 1946 and 1952 or something?

Mr. Thornton                    Yes, it was after the war I would say.

Mr. Grosshans                    They hired him in 1946 and it was in California out of that Petroleum Reserve. I think he was auditing that for the Navy.

Mr. Thornton                    Yes, that is right. The Navy Petroleum Reserve No. 1.

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## Early Years—Audits

Mr. Eschwege                    We want to talk about Elmer again, too, but can we get back to those early years for just a couple of more minutes. In terms of the kinds of

audits we did, how would you characterize them as opposed to what you know we did toward the end of your career in GAO?

Mr. Thornton

Well, you know we never went beyond the paper, so to speak. It was a desk audit, primarily. When we were doing contract audits, sometimes we got out into the plant and talked to people and found out some things. That type of audit was a little broader. In procurement audits, we looked into transactions a little more closely than just looking at the purchase order. We might go back to the purchasing agent and ask some questions to see if they got the bids and all that kind of stuff.

Mr. Eschwege

Yes. Now in terms of some of the other people that you knew of that worked for GAO, you were sort of the chosen few that really got out into the field and saw some things. But what did all those people in GAO really do in those years? Were they really accountants?

Mr. Thornton

No, not necessarily, but some of them were. A lot of that work was strictly desk audits; they would just audit the vouchers, like payroll. You know, civilian payroll eventually came to the field: not to us at first, not to the Field Operations, but there was a group out there that did nothing but payroll audits. Eventually, they were taken over by us.

Mr. Eschwege

Even there, who showed them how to do it? Was there a training program or did they just get training on the job?

Mr. Thornton

On-the-job training I would say, for the most part.

Mr. Eschwege

There was no formal training back then? I am talking still about that period just before the war, let's say.

Mr. Thornton

I do not think so. In doing a contract voucher audit, you know, we just looked at the documentation to see that it made sense, and then if it was a contract, we would look to see if the contract authorized whatever it was they were doing.



## Reports and Testimony

- Mr. Grosshans                      In those days, did we issue any reports at all off the work that was done?
- Mr. Thornton                        I do not think so.
- Mr. Grosshans                      Were there summary reports issued on what we found?
- Mr. Thornton                        No, we just signed off on them.
- Mr. Grosshans                      You just signed off and then accumulated the collections and so on which were then presented in the annual report? The annual report was the main instrument?
- Mr. Thornton                        That is right.
- Mr. Grosshans                      No testimony in those days that you can remember?
- Mr. Thornton                        I never had any, but I am sure that the Office was called up there every once in a while.
- Mr. Eschwege                        Probably, for appropriations hearings. Any reports to the Congress per se, anything at all? How about from the Office of Investigations?
- Mr. Thornton                        No. The Office of Investigations, I think, had more reports than "audits" in those days.
- Mr. Eschwege                        Yes, but your section did not?



Mr. Eschwege

Apparently, there was a study made by that Brownlow Committee, and they wanted to confine us just to being the Auditor General as opposed to having some of these other functions like prescribing principles and standards, settling claims, and whatever else we still do today.

Mr. Thornton

I do not know whether accounting systems was one of our responsibilities in those days.

Mr. Eschwege

Yes; we had principles and standards and systems work. So you did not get too involved in that one. Brookings made another study which kind of supported GAO in those days in saying GAO ought to have more functions than just doing the audits, and that got kind of bandied around. Even though there was a Roosevelt landslide in those days, that was one of the few occasions where Roosevelt lost out and it did not come to pass. Does that pretty much cover that area?

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## Audit Supervision

Mr. Grosshans

Maybe I can just raise one additional question. You indicated that the type of work we were doing was primarily preaudit and was primarily the financial checking of transactions. What type of quality control did we exercise in those days? Did you have supervision when you were out there in the field?

Mr. Thornton

As I recall, we had a reviewer. Someone did the basic work, and then it went through the reviewer's desk and he would take a sample of that.

Mr. Eschwege

He would kick it back if something was wrong.

Mr. Thornton

So, in Washington, they had what they called audit review; over and above the Audit Division, there was a review. They probably also passed on the exceptions that were stated; I think they did. In other words, it would have rolled through that review. They called it audit

review, that was supposed to be a few steps above the poor fellows down at the bottom who were auditing the vouchers.

Mr. Eschwege

You were a pretty small unit in those days. How did Washington communicate with you? How did you get the word?

Mr. Thornton

Well, in those days, we had, for example, people on loan from Agriculture to do some of the work. Our people did the reviewing, mostly after they [Agriculture] did the procedural work.

Mr. Eschwege

Did they call you up and say, "are you working today?"

Mr. Thornton

Well, they had zone chiefs and, in the days before that, they did not call them zone chiefs, but they had another name for them.

Mr. Grosshans

Area chiefs?

Mr. Thornton

No, area chiefs were there along the same time as the zone chiefs. Well, anyway, there was some kind of a group. When we worked for Gary Campbell on the soil bank programs, he had two or three fellows between us and himself who sort of came out and visited us to see how we were doing and to answer any questions.

Mr. Grosshans

How did we resolve disputes in those days? In other words, if you audited a particular set of transactions, vouchers, and that type of thing and took exception to them and the agency did not agree with us, how would we resolve some of those disputes?

Mr. Thornton

Well, we would write a submission to the Comptroller General and let him make the decision. In other words, if we felt we were right, we would make a submission. That kept the legal group busy working on submissions. Anytime we had a question in the audit and we were not sure what to do, we would send it up to the legal division. You got an answer back, an "OM" they called it: Office Memorandum.

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## Other Negative Reactions to GAO

Mr. Grosshans

Not so different from the ways we do things today. Were you ever involved in any of the audits of the Tennessee Valley Authority [TVA]?

Mr. Thornton

I do not think I was ever involved in TVA. They used to run a whole group out of Washington to do that. That was considered one of the top jobs.

Mr. Grosshans

Yes. I read an oral history that was done of Eric Kohler who was an accounting professor, you may recall. He was also later the Comptroller of TVA and, in those days, he did not think much of GAO because we took some exception to some of his expenses down there. He was very critical of the McCarl era. Interestingly enough, he was one of the main supporters of GAO in the Budget and Accounting Act of 1950. He and Mr. Warren apparently saw much more eye to eye on what needed to be done. Kohler was also very instrumental in getting the American Institute of Certified Public Accountants [AICPA] organized early on. But just reading that history, he was very, very critical of GAO in those early days when we did the voucher flipping. He was not very keen on GAO doing some of that work. That is why I was curious how some of those issues got resolved.

Mr. Thornton

I just cannot recall who did that TVA work. It was not the regular Audit Division; it was a group, but I do not know who it was.

Mr. Eschwege

The only other thing I wanted to mention, maybe more for the record [as] I am not sure if you got involved in it: President Hoover in 1932 also had some thoughts of doing away with GAO. Do you recall that at all?

Mr. Thornton

No. He was probably wondering about the need for it.







they had been hired by Washington. We would get a note saying Mr. So and So is going to show up. But I do not remember any real recruiting until we got into the college recruitment which was some years later.

Mr. Eschwege

Wasn't there a big backlog of work because of the war years: activities increased and expenditures increased? Did you notice that yourself?

Mr. Thornton

The audit we did was with contractors like Douglas and Lockheed; after we went through that, that was the end of it. When the vouchers went back there after we got through, they just got filed away as far as I know. I hope they did not postaudit the things. They might have made some tests, but I do not think there was a regular audit.

Mr. Eschwege

Do you recall whether they made you work longer hours during the war?

Mr. Thornton

It seems to me we might have worked 6 days. Yes, that was the way I recall it.

Mr. Eschwege

And did they pay you extra for that?

Mr. Thornton

I do not remember any overtime, as such. We probably got paid on the basis of a 6-day week.

Mr. Eschwege

Well, let's see, by 1942 you were already known as a principal cost auditor.

Mr. Thornton

GS-11.

Mr. Eschwege

Well, GS-11 to start and you moved up to head cost auditor.

Mr. Thornton

That was a GS-12.

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Mr. Eschwege I do not know why a cost auditor was even higher than those positions, but that was the way it worked, I guess, according to the records that I looked up.

Mr. Thornton The GS-9, I guess, was the cost auditor as I recall. Then the next level was a GS-11, next GS-12, and then GS-13. The chief cost auditor was a GS-13.

Mr. Eschwege The principal cost auditor was a GS-11, I do not know what the chief cost auditor was.

Mr. Thornton I think a GS-13 was the chief. Then you had the zone chief and the area chief.

Mr. Eschwege Right, GS-14 and GS-15. One more thing, back in 1941-1942, was there some kind of an experiment with the Detroit area? The Detroit experiment? Do you recall?

Mr. Thornton It seemed to me a group was sent there and I think Kurt W. Krause was in charge. I think that was where they decided whether they wanted to go that route. Then the Los Angeles office was set up.

Mr. Eschwege That was how they got the zones.

Mr. Thornton The zones and the whole setup. I think that was a trial place in Detroit. Kurt Krause was out here too. He came out to help us establish this office.

Mr. Grosshans What time frame are we talking about now?

Mr. Eschwege Well, we are getting toward the end of the war period. In other words, the Detroit Experiment, as I have it down, was about 1941-1942.

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Mr. Thornton                      That was the beginning of the war.

Mr. Eschwege                      Yes, right.

Mr. Thornton                      I think they had a group of the so-called old timers. Ellis Stone was out here; I guess he was the first area chief. Charlie Wells was the man in San Francisco. I think he was in that group in Detroit, too. Ray Bandy was the first person up in Seattle.

Mr. Eschwege                      But, you always worked in the Los Angeles Zone?

Mr. Thornton                      Well, I was moved, eventually, to San Francisco as Regional Manager.

Mr. Grosshans                      1952, was it?

Mr. Eschwege                      For 2 years, right?

Mr. Thornton                      Yes.

Mr. Grosshans                      While we are on that, I noticed they put you in as Acting Regional Manager. Did you get the Regional Manager job shortly after that?

Mr. Thornton                      Yes, I am not too sure if the papers ever came through. But I do not think it made any difference grade-wise.

Mr. Eschwege                      You knew you were in charge.

Mr. Thornton                      That was all I had to know.

Mr. Grosshans                      Was Al Clavelli there, then? Or did he come...

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Mr. Thornton                    He came in after I got there. They hired him and he reported for duty; that is the way I remember it. Homer Tietzen was already there. Do you remember him?

Mr. Grosshans                    Al Clavelli came out of the corporate audits side?

Mr. Thornton                    I think so. I know he had a good public accounting background. He was from Chicago and he was a great help to me. You would put him on reclamation work and that was right down his alley. He enjoyed it. Then there was Jim Hall; he was one of the juniors in those days.

Mr. Eschwege                    Are you keeping track of Jim; is he still around there?

Mr. Thornton                    Jim is around; I have not called him lately. He lives over in the San Fernando Valley.

Mr. Eschwege                    He does not work for Hughes Aircraft; that was years ago, I guess?

Mr. Thornton                    No, I do not know why he retired as he did and why he then went to work elsewhere. He did work at one of the bases around San Luis Obispo. I think he was working pretty much on his own as a consultant.

Mr. Eschwege                    Do you have anything else you want to tell us about the war years? Any interesting tidbits? GAO survived the war, is that it?

Mr. Thornton                    Yes, that is about it in a nutshell.

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## Postwar Period

Mr. Eschwege                    But GAO did get stuck with a big backlog at the end of the war?

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Mr. Thornton                      That is possible, but I think that might not have been on the site audit but on some of the vouchers that were generated in the construction field and other activities that were not related to the production of planes or weapons. Some of the ordnance plants were under site audit. We covered the aircraft industry pretty much. I think the ordnance activity was more in Detroit.

Mr. Eschwege                      You actually did it 100 percent; you looked at everything?

Mr. Thornton                      Oh, I would not say that close, but pretty near.

Mr. Eschwege                      Well, we know from other activities in GAO—in talking to Westfall and so on—those were pretty important postwar years where GAO finally realized, and I think probably made some noise up to the Congress, that it could not have all these vouchers coming in anymore and maybe the executive agencies ought to take responsibility for keeping those vouchers. That is really what happened. Alongside of that, there were also a couple of these big corporations, if you recall, that were formed earlier, the Reconstruction Finance Corporation [RFC], the Commodity Credit Corporation [CCC], etc. I know you were involved a little bit in CCC.

Mr. Thornton                      A little bit, yes, not too much.

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## Corporation Audits

Mr. Eschwege                      Our audit of these corporations was mandated by the Government Corporation Control Act of 1945. You remember something about that? How did that work out?

Mr. Thornton                      That was the beginning of the commercial-type audit. That was the forerunner to the way we work today. That was real important legislation. We were able to apply to the government agencies what they in corporation audits were applying to corporations, without getting a special law. We got the talent, too. We did not have CPAs all over the lot in those

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days. Most of them were fellows who grew up in the Office, more lawyers than accountants really.

Mr. Eschwege

The lawyers were pretty predominant?

Mr. Thornton

When you were in Washington, everybody was going to law school. If you wanted to get ahead, that was the way to do it. It was a very legalistic approach to the work in the early days.

Mr. Eschwege

Those corporations existed before that act was passed but apparently, and I want to get your reaction, GAO did not have authority to audit them.

Mr. Thornton

That might be true, but I do not know.

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## Recruiting Accountants

Mr. Eschwege

After that act was passed, there was a recruiting effort to get some of these accountants from public accounting firms?

Mr. Thornton

I guess Westfall may have led the march on all of that.

Mr. Eschwege

Did you get involved in it too, in the field trying to help recruit?

Mr. Thornton

No. That was pretty much done by Harry Trainor. I think he did a lot of work in that area. Charlie Murphy did more of the college-level recruiting. I do not know how they got the message to the public accounting profession that we were looking, but I am sure they had ways of making it known. We did get a fine group of people.

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Mr. Eschwege Do you recall some of the ones that came in about that time? Sammy [A. T. Samuelson], I guess, was one of them.

Mr. Thornton Yes, Samuelson and L. K. [Roy] Gerhardt and...

Mr. Eschwege Ellsworth [Mose] Morse? Did he come in about that time?

Mr. Thornton Yes, Mose came in, also Irwin S. Decker, O. D. McDowell, and Bill [William E.] Newman; that caliber came in about that time.

Mr. Eschwege Yes, some of them came in straight out of the military. The war was over...

Mr. Thornton That is right; that is when Bill Newman came in. Bill used to be out here in the military. I ran into him before he came with GAO. I think that was one of the best things that ever happened to GAO: the Corporation Control Act to upgrade the type of audit we were doing.

Mr. Eschwege But you were never in the division that did this work?

Mr. Thornton No, no.

Mr. Eschwege And they never called upon the field per se to assist in this effort?

Mr. Thornton We may have had some people loaned out from time to time. I do not think in the field we did much with that until well on afterwards, and I think we probably loaned people for the TVA audit. I think Atlanta supplied help. A. T. Samuelson was out here and he was managing the audit of the Bureau of Reclamation primarily. We provided people to that audit, particularly in San Francisco and in Denver. The government corporation audits, as such, except for TVA if you want to call that a corporation, did not involve us. As for Commodity Credit, we might have gone in with the corporation people.

## Reducing Size of Staff

- Mr. Grosshans Do you recall, John, what happened to that big staff at the end of the war? Like I mentioned earlier, we had something like 14,900 people and, within a short period, by 1952, we were back down to 5,500. What happened to all of those folks?
- Mr. Thornton I imagine they all got notices.
- Mr. Grosshans Is that right?
- Mr. Thornton Yes, because most of those appointments in those days were for the war and 30 days thereafter or something like that.
- Mr. Eschwege So they were not permanent?
- Mr. Thornton I do not think so. I would want you to verify that, but I think that was the way it worked. I think even some of the people we hired back in those days were in that category, but that did not impact on the field that I can recall.
- Mr. Eschwege But when you were hired, you were hired as a permanent employee?
- Mr. Thornton Yes, I was hired as a permanent employee.
- Mr. Eschwege It was not easy in those days either to terminate people.
- Mr. Thornton You had to prefer charges and all the rest of it. I am sure that most of the war appointments, not only in GAO, but in a lot of agencies, were hired for the war and 30 days or 6 months or something thereafter. I forget the exact terminology, but it was not a permanent appointment.

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Mr. Grosshans Did we look for certain people during those days when we were building up? Were they accountant types?

Mr. Thornton No, I do not think so. I think in those days, you could not find them.

Mr. Grosshans Primarily 4-F's?

Mr. Thornton I would not know about that, but I think there were a lot of women hired in those days. I think on that legalistic-type audit we made, you would just break them in and tell them what the ground rules were. For payroll audits, you would want them to know what the grades were, the structure, and the overtime requirements. I do not think it was too difficult.

Mr. Grosshans In those days, did we sample transactions or did we do 100 percent?

Mr. Thornton I think it was a sampling. I am not too sure what they did in Washington. I know in the field when we did a contract audit and everything looked clean, we might not do every voucher right down to the n'th degree; but for the most part it was a 100-percent audit, if you want to call it an audit.

Mr. Grosshans Do you recall during those days—we are talking now post-World War to the 1952 period—that a lot of changes took place? We touched on one of them, and it was a big change from the standpoint of people: the professional types that we brought in to do the corporate audits. Not only did we get rid of a lot of people, but we also hired different people during this time. We also went to a concept of comprehensive audits which Mr. Warren initiated in late 1949. Did that have an impact on you?

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## Comprehensive Audits

Mr. Thornton Not really, but we used that approach on Bureau of Reclamation audits. Eventually, that was the way it was all done. You just went in and, on



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Mr. Thornton                   Coast Guard too, I think. Yes, because it had district headquarters in San Francisco. What was the name of that old building?

Mr. Grosshans                   Tanforan? No.

Mr. Thornton                   No, there was a government office building on one of the streets down the hill from the St. Francis Hotel. I think that is where the Coast Guard was located.

Mr. Grosshans                   50 Fulton Street?

Mr. Thornton                   That might have been the address. And the Coast Guard, I do not know whether the work there really amounted to anything. You had payroll and voucher audits, the same old thing, but they did designate it as a site audit. They were not sending the paper in; I guess that was the difference.

Mr. Eschwege                   Did it take different people to do the comprehensive audits?

Mr. Thornton                   I do not think so, no. Because, by that time, we were building a staff with different types of people; we were recruiting.

Mr. Eschwege                   But those were almost exclusively sent to the Corporation Audits Division, weren't they? The professional types of people?

Mr. Thornton                   Well, we were getting them into the field also.

Mr. Eschwege                   You were getting them into the field?

Mr. Thornton                   Yes. Because we were starting to recruit at the college level in those days. Then, they came up through the ranks, and Al Clavelli came in about that time.



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Mr. Eschwege                      Anybody who was willing to keep their suitcase packed.

Mr. Thornton                      Oh yes, he found men like that; Charlie Vincent was a good, shining example.

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## Congressional Interest

Mr. Eschwege                      In this period, the Congress apparently showed somewhat of an increased interest in GAO, in terms of allowing them to do the corporation audits; and also the Budget and Accounting Procedures Act of 1950 was passed and so on. Did you feel any of that, that the Congress was more aware of what GAO was doing, that they were interested? I guess we talked about Lindsay Warren before, and he was Comptroller General during this period.

Mr. Thornton                      Well, I do not think out here we would feel it so much.

Mr. Eschwege                      It still was not like they would come in and say we need two people from your zone or your region to help a certain committee or something like that? That did not happen?

Mr. Thornton                      No, we did not have many loans of staff members. We did have some once in awhile, of course. You had to consider the per diem and travel costs that would be incurred by field personnel. If they brought someone in to assign to a committee, it would be from one of the nearby offices unless they were looking for a specialist. I do not think they would bring anybody in from way out here.

Mr. Grosshans                      Do you recall during this period who the major movers were to get GAO into the more modern era from the days that you described where we basically looked at payments and made preaudits? Who were the major forces that you recall that moved us in that particular direction?

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Mr. Thornton                      Well, I think Ted Westfall probably was one and Ellsworth Morse and, of course, others in the front office too.

Mr. Grosshans                      People like Frank Weitzel and Robert Keller were around.

Mr. Thornton                      Yes. It started with Frank and Keller. They were two real capable men. I think Westfall's men going into Washington was really a great step the Office took in terms of applying the Government Corporation Control Act-type audit to other activities.

Mr. Grosshans                      Do you recall studies that Ted Westfall did for Mr. Warren? Mr. Warren gave him the charter to review each of the offices in GAO, and he did a series of those reviews. He reviewed each office, reviewed each area and zone office, and issued separate reports. Do you recall any of those?

Mr. Thornton                      He must have kept those a secret.

Mr. Eschwege                      Did he come out to see you at all?

Mr. Thornton                      He may have, but I do not...

Mr. Grosshans                      This would have been in late 1950 and early 1951 when he did all of this.

Mr. Thornton                      I do not remember.

Mr. Eschwege                      He was only 6 years in GAO, and toward the end he became the Director of what they called the Audit Division...

Mr. Grosshans                      After they had realigned.

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Mr. Eschwege                      Which was supposed to have encompassed everything. In other words, there was a Bookkeeping Division and a Reconciliation Division. I guess the only ones that probably still stayed outside of that was the Office of Investigations.

Mr. Grosshans                      And Claims was separate.

Mr. Eschwege                      Claims was separate?

Mr. Thornton                      Well, Claims was pretty much independent for the longest time; I do not know where they are now.

Mr. Eschwege                      Well, they are in the General Government Division.

Mr. Thornton                      But they were related to legal more because if they had any doubt about a claim they would submit it to the General Counsel.

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## Regional Audit Offices

Mr. Eschwege                      Actually, this is where you came under this new Audit Division and this gets us slowly into the regional audit setup. Am I right? First, Bailey was an Assistant Director of Audits for Field Operations in that Audit Division.

Mr. Grosshans                      This would have been 1952. When the new Division was created, they set up a modified field operations [Division]; it did not officially come to pass until 1956 as I remember. Is that right?

Mr. Eschwege                      Well, what happened I guess is that Bailey was considered part of that Audit Division. He was an Assistant Director in charge of all that field-work. Later you assumed that position, right?

Mr. Thornton Yes.

Mr. Eschwege In 1954, you took over when Bailey...

Mr. Thornton Was that when Bob Long was the head of the Division?

Mr. Grosshans Yes, you see, when Ted Westfall left, Bob Long became the Director of the Division.

Mr. Eschwege You recall that?

Mr. Thornton Yes.

Mr. Eschwege Now then you worked for Bailey for a while, still, as what?

Mr. Thornton I guess I was known as zone chief then of the whole West Coast.

Mr. Eschwege Yes, but you were stationed here, is that it?

Mr. Thornton Yes, and Bailey was in Washington.

Mr. Grosshans Bailey would have moved into Washington. Westfall brought Bailey in, I think, in 1952.

Mr. Thornton Well, I probably acted as zone chief here. But, then I went up to San Francisco when they created the regional offices.

Mr. Eschwege Oh, right.

Mr. Grosshans                      That was 1952 when you went up to San Francisco. That was part of that whole realignment...

Mr. Eschwege                      You stayed for 2 years?

Mr. Thornton                      I was still acting zone chief when Bailey left.

Mr. Eschwege                      Yes, Bailey was in Washington at that time. But then Bailey was assigned to the European Office?

Mr. Grosshans                      Later.

Mr. Thornton                      Later.

Mr. Eschwege                      That was much later.

Mr. Thornton                      That was when I went into Washington.

Mr. Eschwege                      That is what I mean in 1954.

Mr. Thornton                      Right.

Mr. Eschwege                      And that is when you became the Assistant Director of Audits...

Mr. Thornton                      For Field Operations...

Mr. Eschwege                      And you went into Washington in 1954. After that, you stayed in Washington until you completed your service with GAO.

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Mr. Thornton I retired in 1976.

Mr. Eschwege So that is when you took over as Assistant Director of Audits for Field Operations. It is during that period from 1952 to 1956 when first Bailey and then you were the Assistant Director of Audits for Field Operations that you really formed these regional offices, didn't you? You had about 23 regional offices, do you recall that?

Mr. Thornton I am not sure it was 23 offices. You see, they had the substations, you know (area offices), but we got down to...

Mr. Eschwege Later on, we got down to 15 or 16, but I am talking about the earlier period.

Mr. Grosshans Yes, initially we had them in Portland...

Mr. Eschwege Cleveland...

Mr. Thornton Norfolk...

Mr. Grosshans Alaska...New Orleans was a separate one. So, there were about 21; then we finally got down to about 15. The last one I think being when New Orleans was combined with Dallas.

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## Selecting Regional Managers

Mr. Eschwege Now, where did you find all these regional managers to take over?

Mr. Thornton Well, I really do not know. When I came in, I think we were up to 19 at one time, you know. But one of the first things I did was to start merging

them. I just could not see any need for that many. They grew from the war years when we had a group. We wanted to keep them there because we did not want them running back and forth to do audits. We changed our mode of operation because we did not want to retain those residencies as we called them. We did not want that, and then we got down to, like you say, maybe 15 offices.

Mr. Eschwege

A guy like Al Clavelli, we talked about him earlier, did he come from the Corporation Audits Division?

Mr. Thornton

I am not too sure. I think he was with the Corporation Audits, but it seemed to me that when he came to us, he might have already left Corporation Audits. He initially came in from Public Accounting.

Mr. Eschwege

And a guy like Dick [Richard] Madison, where did he come from?

Mr. Thornton

No, Dick is all GAO.

Mr. Eschwege

All GAO. He would have been there long before the corporation audits were initiated. I see, so somehow we were able to staff these offices with experienced people.

Mr. Grosshans

Dick Madison was a zone chief in days prior to that period?

Mr. Thornton

Yes, that is right. I think Frank [Francis J.] Pelland was a zone chief in Chicago, and then Charlie Bailey was out here. I cannot remember whether Boston was independent or not. But, anyway, the regional offices came in and we merged some of them after that. But I think a lot of them were called regions just to get it moving. But where there were only a dozen people, that was not a region; it was a site group, that was all.



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Mr. Eschwege                      You basically did the field audits for them.

Mr. Thornton                     Right. It was not much different from what it was before; just name changes, that was all. You know, our staffs were always working in the field for them, for the most part.

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## Integrating the Investigations in the Division

Mr. Grosshans                    Now during the same time, John, we had hearings on the Office of Investigations and we had hearings on the zinc case, which brought about the demise of the Office of Investigations. Do you recall what we did with all those folks?

Mr. Thornton                     I did not pay any attention to it. I thought I read it in the material you gave me; I guess we just absorbed them. If we had an investigative-type job, we would let them do it. They were a small group anyway, in terms of numbers. I think some of them may have left.

Mr. Eschwege                     Some could retire.

Mr. Thornton                     Yes, that is right and they liked the term "investigator" so they did not want to be auditors. I do not remember any problems connected with it, as far as absorbing them.

Mr. Grosshans                    Some of the regions, apparently, were resentful of having to absorb these individuals. I know in San Francisco we had three. I think it was Joe Gordon; you probably remember he was very, very good as an investigator. In fact, he helped us out quite a bit. Don Sloane, whom I worked with closely, and I think Carl Davidson might have been one of them. I am not sure whether he fell in that group or whether he came out of the payroll audit side.

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Mr. Thornton I think they both came from the pay unit.

Mr. Grosshans Yes, they could have.

Mr. Thornton But the top people, I do not know where they all went. There was a fellow named Shartle; remember that name?

Mr. Grosshans Al Shartle was in San Francisco for a while before he retired. Yes, that is right.

Mr. Thornton I forget who it was in Los Angeles.

Mr. Eschwege Were most of them in the field or were there quite a few in Washington?

Mr. Thornton There were quite a few in Washington. I do not know, for sure, what happened to them.

Mr. Eschwege I know that some of them were assigned to the divisions. I did not think there were many that were assigned.

Mr. Thornton But, out in the field, some of the regions only had five or six people. They ran down a lot of stuff. They would get a tip or something in the newspaper or they would get a request from their investigative group in Washington to look into something: congressional requests many times. I do not see how they could tell in Washington whether a request should come to us or to the investigative group; it all seemed the same.

Mr. Eschwege Were many of them lawyers?

Mr. Thornton I think they were more apt to be lawyers than accountants.

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- Mr. Eschwege                      So, you would say in terms of levels of education, they probably had a little more education.
- Mr. Thornton                     They probably did, overall. Some of them just grew up in GAO with no particular specialty at all. They had that "look into things" instinct and they enjoyed it, most of them. They enjoyed nailing somebody to the cross.
- Mr. Eschwege                     But there was no planned way of doing it then. Was it a fishing expedition or did we get requests?
- Mr. Thornton                     Well, we would get requests from committees.
- Mr. Eschwege                     Requests would come from Washington or the Congress?
- Mr. Thornton                     Either way, but we would not get it direct; it would go through Washington and they would buck it out to us. If we thought the investigative people that we had could do a better job, we would give it to them; otherwise, we would give it to an auditor.
- Mr. Eschwege                     Well, couldn't these investigative people in the field initiate inquiries on their own? Like you said, they read a newspaper and looked for leads.
- Mr. Thornton                     Well, I think that stuff kind of died out. We would look at the papers ourselves. We did not need a special group to do that. We would go out when we saw something or ask Washington if they would like us to look into something. But they just "died," you might say. They had some good people.
- Mr. Grosshans                    Do you recall anything about the zinc hearings?
- Mr. Thornton                     No, I do not remember any of these at all. Just like the hearings on defense contracts out here, I did not recall just what it was that they



And I guess we got away from the old voucher flipping days; you know you would test them, which was kind of a religion way back with so many vouchers. I guess we used to turn in reports showing how many vouchers we audited.

Mr. Eschwege

So that also got you into training more people...

Mr. Thornton

...and recruiting.

Mr. Eschwege

Sending people to Washington to be trained, training them out here in the field.

Mr. Thornton

That was when the Office of Staff Management came into being.

Mr. Eschwege

Did you have a particular problem as you got these really good people from colleges—you only hired them from the upper third of their class—and tried to retain them? Was it difficult also in terms of the fieldwork because they had to travel a lot and so on?

Mr. Thornton

No, I do not recall anything spectacular about it. They were told what the job was, and I do not know that we had a big turnover. It might vary around the country, too, but I cannot recall anything.

Mr. Eschwege

Sometimes they could be away from the regional office for several months and, in those days, we did not let them come home on the weekend.

Mr. Thornton

Probably not.

Mr. Eschwege

I think now for the most part they can.

Mr. Thornton

I think, probably, we were a little rough then.

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Mr. Eschwege Well, I guess you have to recognize the times were different.

Mr. Thornton Yes, and the money was not always available. Everybody seemed to watch the travel budget. But, then again, some of them enjoyed those trips.

Mr. Eschwege They made a little money on the per diem in those days, maybe?

Mr. Thornton Yes, sure. They had ways...Samuelson had a lot of those kind of fellows who were just tickled to death to be on the road.

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## Relationship to Programming Divisions

Mr. Eschwege Now you pretty much took your cue from the divisions; in other words, they sent out the work and you did it? Is that how it worked?

Mr. Thornton They came out with a program, an audit program, and we took the job from there. And then they usually sent someone out in the course of the audit to see how we were doing. That worked; it was all right.

Mr. Eschwege Did it get more complicated as we added divisions? First, you know, the International Division was added; that probably did not impact too much on you. You did use some of your people, as I recall, to go overseas and support the work of the International Division, like Harry Kensky and other field staff. But, then, all of a sudden in 1972 you had that big reorganization where Elmer Staats set up all these new divisions. How did that impact on field operations?

Mr. Thornton I do not think it had any real great impact. They just would get their mail from different people, that was all, and they would do the work.

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- Mr. Eschwege Did the divisions all operate the same way in programming work in the field?
- Mr. Thornton I think so; I do not think there was that much difference.
- Mr. Grosshans Did that make your job a little more difficult: to try to see how well the field supported the divisions? When they had just the Civil and Defense Divisions, it was relatively easy for you to touch base with a couple of folks to see whether things were generally going the way you would expect them?
- Mr. Thornton If there was anything wrong, they were going to come to you. You did not have to go seeking them out. The kind of case I got into mostly was where they had a complaint and then I would try to resolve it for them. For example, they would complain, "San Francisco did not start my job," and then I would have to try to run it down for them. Usually when the call came from a division, it came from someone from the lower end of the staff anyway. You were not dealing with the director in many cases, but more likely the audit manager or the site supervisor in Washington. I do not think it made that much difference.
- Mr. Eschwege But even in those days, weren't some regional offices sort of oversubscribed or favorites of some of the divisions?
- Mr. Thornton This would come up in connection with preparing the blue book when we used it to program the work in advance, and of course we had to sometimes break away from it. If an emergency came up, you would have to decide which job had to be killed. I think that blue book was a nuisance to put together, but it did give the fellows out there a chance to know what was coming. Before that, they had nothing. They did not know what they had until they opened the morning mail.
- Mr. Eschwege You were not really sure that all of that planned work was coming?

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Mr. Thornton                      No, but it was something. Up to that time, they did not have anything. I worked on that with Oye Stovall. We used to put that thing together. He represented Policy and I was representing the field.

Mr. Eschwege                      Stovall was in Policy in those days?

Mr. Thornton                      Yes.

Mr. Eschwege                      What was his job in Policy?

Mr. Thornton                      He was an Assistant Director, I guess. We used to get together and it was not too complicated. I used to borrow a grade 5 or sometimes a grade 7 to put it all on paper, and then we would call around and see what changes could be made to avoid imbalances in the allocation of field resources. I always got along with the assistant directors. If you told them what the story was, they might be able to move the planned job some place else. So we were able to resolve it. I do think it helped quite a bit. It was a good idea; I do not know whose idea it was but it was a pretty good one.

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## Size of Regional Offices

Mr. Grosshans                      How did you decide on the size of the offices? How did you decide how many people to have in Los Angeles versus San Francisco versus Seattle and Atlanta and so on?

Mr. Thornton                      Well, you did not really make a decision, you just decided what the work load requirements were on an average basis and asked the regional manager what he needed. We had to be a little careful. Some of them felt they never got enough people. You just had to spread your resources where you thought they should be spent. Like in New York, you could probably use a lot of people up there if you wanted to do everything.

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But Washington was not particularly anxious to go to New York as I remember.

Mr. Grosshans

How did you try to solve that? I mean, we still have the problem today that there are certain offices where we find it very hard to get the work done because they are always oversubscribed, like Henry said. Yet there are other offices that are always seeking work. How did you try to balance those demands? Was that a concern?

Mr. Thornton

It concerned you because you like to have everybody happy that you do business with. Some people had big appetites and someone would call: "Can you do the job?" They would say yes and then they did not do it. I knew about what work was coming down the pike. As for New York, I think people just did not want to go to New York, period. I think that was part of the problem. Robert Drakert, the Regional Manager, was a pretty hard-nosed guy; yet, he was reasonable enough, but the New Yorkers are different. I should not say that, sitting in front of a New Yorker here.

Mr. Eschwege

Well, I came to Washington, John.

Mr. Thornton

But, anyway, a lot of people would not want to go up there. I think at times a lot depended on the people in Washington. They liked to go to San Francisco, so they put a job there.

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## Role of Regional Manager

Mr. Eschwege

The regional manager was supposed to have another function. I know this was particularly true under Elmer Staats, but I am sure it is true today under Chuck Bowsher and it may also already have been envisioned by Mr. Campbell. The regional manager was supposed to be like a regional Comptroller General who really represented GAO. Did you feel that the managers were really fulfilling that role out there or was that just sort of an address to call up and be like a referral service?

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Mr. Thornton

Well, I never looked at it that way because I do not think they could answer just any question; they could only go so far. I guess Mr. Campbell wanted people to know that it was part of his office out there. I never had any real problem with it, but I think he had it more that way so the regional managers could answer back to some of the Washington people and not get pushed around by them. I could be wrong in that.

Mr. Eschwege

There was a later thought, I would say in the late 1970's and the early 1980's, that regional managers should be closer also to local programs, the state government, maybe even the city government. And that had to do with the fact, especially when President Reagan came in, that more of the programs were sort of pushed out by the federal government into the state and local governments in terms of block grants, etc. And, therefore, the regional manager could really be instrumental in getting close to that state because GAO still had a responsibility to see what happened to that money. But, I guess that did not work so well. Do you think we could have done more or should have done more in that area?

Mr. Thornton

I do not know. I never gave it a thought, to be honest about it. I thought the block grants, once they were made, were pretty much the responsibility of the local community. I do not know what the agency itself was supposed to do in terms of follow-up. I do not know, but I do not believe GAO has ever done any work in the area. Have you?

Mr. Eschwege

We did some work, and we probably are going to do some more. I am just using that as an example. So I guess, at least on paper, that would put the regional manager in those days sort of independent even of the division, of the Field Operations Division management, in performing that particular role. It was a little bit like the Ambassador to Great Britain who works for the Secretary of State—you being the Secretary of State—but still kind of doing things on his own. That did not really ever bother you if they did that?

Mr. Thornton

Well, it would not bother me. No, as long as everyone agreed that it should be done. But you would have to provide time. They have to give you some feedback so you will know what the work load is. You just cannot decide one morning I will check the grants some place.



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Mr. Eschwege But you felt that these deputies ought to know what is going on in case you are not there because you are out traveling or something?

Mr. Thornton Yes, that is right, then if I would get the mail, I would give them some things which I thought they should do. It was the kind of job you figure out just how you use them the best way.

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## Area Office Over Regions

Mr. Eschwege One little thing, for a very short while...John, I think you will remember this: we had what we called the area office, an office over and above some regions. Hy Krieger was in charge of that, do you remember that? I think he was in charge of the New York, Philadelphia, and maybe the Boston Regional Offices.

Mr. Thornton Super region?

Mr. Eschwege Yes, a super region concept.

Mr. Thornton Yeah, I think we were trying out something.

Mr. Eschwege And it kind of faded away. Do you recall how that developed?

Mr. Thornton I do not remember how it came about; maybe you have to touch base with Hy.

Mr. Eschwege Frankly, down at my level we kind of thought, well, Hy was available; he was sort of in between jobs. I think it may have been at the time that Drakert came back from Europe and took over the New York Regional Office again.

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Mr. Thornton                      Was that during the days of Mr. Campbell?

Mr. Eschwege                      Yes.

Mr. Thornton                      Yes, I think he wanted to try it out. I may be wrong on that. He had no spot for Krieger then unless he just brought him back to Washington and so he wanted to see how it would work.

Mr. Eschwege                      I am not sure there was even a memorandum around that says it was ever abandoned.

Mr. Thornton                      Oh, I think it was one of those things where we used Hy until he could be reassigned.

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## Regional Managers Conferences

Mr. Eschwege                      Yes, right. The one thing I have tried to do is to go back to the minutes of the regional managers conferences that you held during all these years. Perhaps the most striking thing I saw is that pretty much the same issues would come up again and again. And while reading the minutes you might think well, maybe not too much got resolved, but I am sure they were important in terms of keeping the field informed and so on. I just thought I would get an understanding of how you looked at these conferences which were not so different under Mr. Campbell than they were under Mr. Staats.

Mr. Thornton                      I think it was mostly to get the fellows together so they could tell each other their gripes; otherwise, they hardly saw anybody. Some offices did not have a Comptroller General visit them very often. Mr. Campbell always chaired those meetings too when he was there. He always sat down at the table and ran the show. But there was no question that it was a lot of repeat stuff, but those were things that would bother him and I guess they did not go away. Some things just do not go away. I

think it was more or less a chance to get-together and meet. We used to have Sammy or Mose come out too, and the directors got a chance to sit in. I would not call them social affairs, but I think it was good for all of them to get together so they could exchange ideas among themselves.

Mr. Eschwege

There were some complaints; Washington was complaining about the regions, and the regions were complaining about Washington. Some of that, I must say, probably never made the minutes; but it was probably a way of informally communicating those problems, and I am not sure we found the solutions.

Mr. Thornton

I do not think we did. Some of them were just inherent of the kind of work we do and the people we have, and I do not think you can make all problems go away. I think it was more a get-together so they could exchange ideas. We never had any problem with the Comptroller General; everyone seemed happy with having that meeting, even before I was in there.

Mr. Grosshans

Well, I think it was important to get together periodically if for nothing else than to just compare notes and see how others are doing things, to discuss some of the problems that they were mutually experiencing, and to have some opportunity to talk to the boss and some of the key people in the Office. I think that was a healthy one.

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## Managing the Regions

I want to pick up on that same theme. How did you try to keep all of those regional managers in line, or did you try? In other words, each of them had different personalities and so on. It must have been a tough job to try to keep 15 guys generally pulling in the same direction. How did you do that, or did you have special tricks there?

Mr. Thornton

No, I am not sure; I just recognized that people are different. As long as they did not cause any problems, it did not matter if one wanted to go down one street; the other, another street. If they both get there, it did not bother me.

Mr. Eschwege

What happened if they did cause problems? What did you do then?

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- Mr. Thornton Well, then I would just call them on the phone or go visit them. I never had any real problems with them, and by the time I got there sometimes the thing had been corrected. Dick Madison was probably the hardest one to convince that he was doing something he should not be doing. Otherwise, I think they all accepted criticism, or whatever, in the spirit that it was given. I think they would rather have it coming that way than having the Comptroller General call them.
- Mr. Grosshans Did you try to institute any kind of management system within the Field Operations Division to see how well different offices were doing and satisfying the demands of the divisions, how well they were supplying the products, and what quality the product was? Did you try to do any of that?
- Mr. Thornton No.
- Mr. Grosshans You basically relied on the feedback that you got from the divisions?
- Mr. Thornton Yes, that is right. In other words, if they were satisfied with the work, I did not feel I should get involved. I did not know the programs anyway. I would have to become an expert and do an awful lot of things; unless I had a staff, I could not see doing it. The fieldwork was being reviewed, sometimes two or three times in the course of a job, by Washington personnel. As for the management style, you might say, "Well, everybody's got to go down road 36, or something," but I always felt they should have a little independence, and a lot depends on the kind of staff they have too.
- Mr. Grosshans Did you try to get out to the regional offices every so often?
- Mr. Thornton I tried to make it out there once a year. In the early days, I probably did better than that.
- Mr. Grosshans Did you ever take the Comptroller General with you on those visits?



- Mr. Thornton Well, I do not know how I did some of it either, but I cannot do it today. I was pretty good at remembering things, and I never wrote much down either.
- Mr. Grosshans I always thought maybe you had a good secretary that would kind of slip you a little note beforehand, but I know sometimes I got there early in the morning; you were there already and you still remembered the names.
- Mr. Thornton I would know who was coming in as a rule because I got word from the operating divisions that someone was coming in. I forget how we did it, but somehow I got a notice. Certain people I would recognize. I do not say I recognized everybody. If we got a flock of trainees coming in from one of Leo Herbert's programs, I would not know anyone at all.
- Mr. Eschwege Well, while we are on the kind of stories and anecdotes, one of your regional offices—I can mention which it was, Kansas City—had such an elaborate system that if you were ever there before and you had coffee, they would have on record whether you drink your coffee with cream and sugar or without cream and sugar. God help you if you changed your habits during the period you were in GAO.
- Mr. Thornton Was that Nadine?
- Mr. Eschwege It was somebody in there; I won't accuse Nadine, particularly, but it was somebody in that shop that knew it.

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## Washington/Field Responsibilities

That does get me back into the headquarters divisions' responsibility. Was there ever any thought given to going beyond servicing the regions through recruiting and staff training and those kinds of things and actually setting up a kind of a review process of the work done by the regions in the Washington office of the Field Operations Division? This would mean you would get the product from the field sent to your office rather than having it sent directly to the operating division.

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Mr. Thornton

No.

Mr. Eschwege

And review it. I know it was not done, but I am wondering whether you ever heard of such a proposal?

Mr. Thornton

No, I do not remember anything like that. I think we would get an awful lot of resistance from the operating people in Washington. You know, they would have to wait, and they were waiting usually for those packages to come in anyway. To have it intercepted by FOD would probably create a further backlog. I do not think it would go over.

Mr. Eschwege

But they would also hear from their own boss, meaning you, when the work was not adequate.

Mr. Thornton

We would have to be pretty excellent in the area; you would need a flock of people. You would just be building up an empire, I am afraid. If there was anything wrong, I would hear from the operating division and then we could take action.

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## Lead Regions and Project Management

Mr. Eschwege

I know in the 1980 interview that you talked extensively about the field responsibility and how that was viewed in Washington. You discussed the different arrangements that were made over a period of years. First, it was "lead regions" and "assist regions," and then it was "project management." I guess after you left it was "teams." Those kinds of things were, in some cases, designed to give the field more responsibility and, in later periods, at least viewed as giving the field maybe less responsibility. Speaking simply from what I remember at my level in those days is that, quite frankly, the Washington divisions always wanted to keep control of what was done in the field, but we got the feedback that the field would like to assume more control. Rightly or wrongly, our people would say in Washington, the regions want to assume control; but if you actually give it to them, I am not sure they could handle it.

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Mr. Thornton Yes, I think that is right.

Mr. Eschwege Any further thoughts on that?

Mr. Thornton Yes, on the lead region, I think there were in Washington some people who did not want to deal with too many people. So if they could look to just one region, it would take a little bit off their backs. I do not think it ever really worked too well. It was in name only; I do not think it ever actually worked, that would be my opinion. I think some of them might have come from the front office, you know. The managers might say, "We'd like to have some more responsibility," but how can you divide it up and leave Washington out of it. How are you going to get the job wrapped up? To put an intermediary in there, in my mind, was kind of questionable.

Mr. Eschwege Did that lead region concept also create a problem perhaps with the other regions that were only assist regions?

Mr. Thornton It could have. Yes. The lead region was happy probably, but the assist regions probably were not. But there might be a job here and there where it would work and where maybe time was of the essence, or something like that. But, overall, I am not too sure it was a good idea.

Mr. Eschwege I guess we still talk occasionally in GAO about finding certain responsibilities that we could divest or turn over to the regions completely; like if the audit is completely in their area, maybe they ought to be doing the reporting and so on. I know you did that for a while with the corporation audits.

Mr. Thornton Yes, I think we did it in the Washington Region, particularly. That would not bother me at all—when the job is exclusively in one region—that they would have to do the whole package. They should be able to do the reporting, but I do not know if the Washington people would go for that. They would probably want to make a field trip and then process the report, depending on how complicated the job was. All those things got bandied around, the lead regions and other things too. I do not know if it

was an attempt to pass out more salary (higher grade positions) to the field, but I am not too sure if it was all accomplished.

Mr. Grosshans

In those earlier days, did you get involved at all in terms of trying to negotiate for the field maybe more responsibility? I know I came through the San Francisco Region and Mr. Clavelli, of course, was one of the main pushers of more responsibility for the field, particularly in the area of planning. He always encouraged all of us to shoot ideas in. We were probably one of the offices that kept Washington busy with ideas, and I think to a large extent that is still true today. San Francisco is still one of those offices that has continued with that. Was there a large push to get more involvement on the part of the regions, or was San Francisco kind of a loner in that regard?

Mr. Thornton

Well, I do not think it was countrywide. I think we always told them to be on the alert for something that they thought should be looked into. I think AI, with the reclamation work, was particularly interested in it because that work was not in every region. I guess San Francisco may have had the bulk of it in the reclamation area.

Mr. Grosshans

Yes, we, Seattle, and Denver were the main regions, right.

Mr. Thornton

There were some places like the Atomic Energy Commission where I could see why our people should have been providing that kind of input. For example, I think I was the first GAOer to go to Oak Ridge. Oh gosh, I thought they were going to send me there. I took one look at that place and I could not get out fast enough.

Mr. Eschwege

There were some people that felt the regions were particularly good in doing the audit work and that Washington was particularly good, or better, at doing the reporting side of it; that was one view. But then there were at least some exceptions to that. One, I recall, was the Public Roads Group that felt that. "Hey, we better go out there and do that job ourselves." Do you recall that?

Mr. Thornton

Yes.

Mr. Eschwege

What kind of problems did that create for you?

Mr. Thornton

Well, we would not want to see that. First of all, you would have trouble getting people to travel that much; you know, one job is alright. Of course, that occurred a little bit in the early days of reclamation, with Samuelson's group. He had all these young fellows just fresh out of school like Charlie Vincent and a few more, but that could not have gone on eventually.

Mr. Eschwege

That went on before you had an established Field Operations Division. What I am talking about I think went on still in the late 1950's and early 1960's where groups actually bypassed the regional offices and did the work themselves.

Mr. Thornton

Well, I think it was done to do something quickly where you try to respond to a congressional request. They would have all the facts and, rather than sitting down and writing up an audit program to be sent out to field, it was probably more efficient to do it themselves. If it was not an extended job, it was alright, but it would have to be watched. Otherwise, some people might elect to do all their jobs in the field. I could see that in an individual case it would be alright, but you would have to advise the regional manager first. I do not think that as a regular practice it would be particularly good as long as you are going to have a field organization.

Mr. Grosshans

Were you a supporter of the project management concept and the lead region concept? Did you feel that those were legitimate roles the region could play, or was it really kind of a self-perpetuating type of issue for the field to try to carve out a piece of territory and, in lieu of having some of these folks come into Washington, really try to find a role for them in the field? How did you view that?

Mr. Thornton

Well, I had misgivings about it myself. You know, they were always reaching, so I guess we threw a few crumbs their way; that is the way I looked at it. I never was too enthusiastic about it. I mean if you would do it one time and then you did not do it the next time, where were you?

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This probably came out of one of those managers meetings when it was recommended or suggested.

Mr. Grosshans

I was a part of one of those efforts. I just want to mention that because I have been curious to hear your comment on that. I was involved in the "should cost" effort that we did in 1970 and 1971 for Senator Proxmire. It paralleled the effort that Hassell Bell did on the profit study. I worked directly for Charlie Bailey in those days. We had four regions working with us and it was a two-phase effort. The first phase involved whether there was a role for GAO; we testified on that and basically got a report out that we thought that was a proper role for GAO. In the second phase, we actually tested to see whether we could do it. We went to certain plants and did the effort.

The first part worked very well; Charlie Bailey, I guess, gave us a lot of room to run with and he was generally satisfied. When it came to the second report, a lot of other people got involved in it. We did get the report out, and fairly quick-like, but nevertheless, it was very painful because all of a sudden you were no longer a project manager. You went through the same type of report process that the others went through, and there was a torturous experience for some of us that had not done that. I am just curious what your views are, whether that was pretty much what your experience was with some of the other projects.

Mr. Thornton

Well, that is what I would be inclined to say was my experience. Washington was not anxious to let go too much; the field was equipped to do this work. If it was a hurry-up job, something where you needed expertise and you wanted to send somebody out from Washington and where the Congress was beating you over the head, I can see where it might work. But, as a continued practice, I would not be in favor of it.

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## Establishing the Washington Regional Office

Mr. Eschwege

One thing that the Office is currently looking at again is the role of the Washington Regional Office. You commented previously, I saw it here in

this transcript, on how it was established. If I remember correctly, you mentioned that there were certain installations around the Washington area that somehow were missed and never gotten to, and so we got the Washington Region to audit them. How did you feel after it was established and throughout the years that you were involved with it? Did it really prove to be a good and wise decision to have that kind of an office in Washington, itself, to do this fieldwork?

Mr. Thornton

Well, I think with Don Scantlebury over there (I do not know what has happened since) it went real well. If you want to give Washington staff what you might call field-type experience, then that would be a way to go. Let them do that work. But, Mr. Campbell, I am pretty sure it was Mr. Campbell, felt that there was quite a bit of work around that was not being done that probably should have been done; that is what I recall. He set up the group to audit these field-type installations. It may have extended beyond the field-type installations. Who is the manager over there now, by the way?

Mr. Eschwege

Ron Lauve. Do you know him?

Mr. Thornton

Yes. I did not know him well, but I know the name.

Mr. Grosshans

John, I have a little different perspective of the Washington Regional Office. From a field standpoint, when we needed work done in Washington, this was one of the biggest problems. You talked about lead regions, and San Francisco was one of those offices that always reached for these type of jobs. We had a fair share of those that we ran at any given time. The biggest problem we had was to get the Washington groups to go over to the Pentagon and do the headquarters work for us, so you either had to send somebody in there or the work did not get done. When the Washington Regional Office was created, we kind of looked to that office as maybe being a savior for us from a standpoint of doing some of that assist work. Well, no sooner did we establish them when they said they did not want to do assist work either; they wanted to do their own jobs. I am just curious, did you have that complaint?



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Mr. Thornton

I would not mind seeing the study they recently made to see how it worked out.

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## Integrating Nonaccountants

Mr. Eschwege

One last thing in this category of the Field Operations Division: We talked about having to integrate the investigators; we have covered that. But then later on, around the 1970's, after Mr. Staats came in, you were also concerned with introducing some ADP [automatic data processing] technicians and a few specialists and other nonaccountants into the regional offices. Do you recall any particular problems with that in terms of rivalry between the accountants and nonaccountants in terms of who gets the promotions and who advances and so on?

Mr. Thornton

No, I do not recall any problems in connection with them, and I do not know whether we got too many of the specialists anyway.

Mr. Eschwege

You did not get too many of the specialists. There are some now in the banking field and so on.

Mr. Grosshans

Well, we did broaden the recruiting base; rather than hiring "510 series" accountants, for example, we did go to the liberal arts much more in business-related subjects. We were really looking also for the top-notch people in other fields and not just the accountant types. Did that present any problems?

Mr. Thornton

Not to my knowledge.



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Mr. Eschwege

What helped a lot is when we started hiring others and not just accountants. And, of course, Mr. Staats very much pushed the idea of bringing in more women and minorities.

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## Professionalism and Conduct of Staff

Mr. Grosshans

Do we want to cover Mr. Campbell's views of professionalism, the dress code, and the association of GAO staff with certain organizations and not with others? Do you recall any of those?

Mr. Eschwege

He had some very definite ideas, I guess, Werner is saying.

Mr. Thornton

I recall that Mr. Campbell had some concern in this area.

Mr. Grosshans

For example, he did not want to have you belong to the Federal Government Accountants Association in those days, but it was alright to belong to the AICPA, I guess.

Mr. Eschwege

There was a whole concern about GAO associating or fraternizing with people in the executive branch whom we were likely to be auditing: you know, a conflict of interest.

Mr. Thornton

It would not have applied too much to us unless these organizations had branches in the field. Most of it would be in Washington.

Mr. Grosshans

In those days, you could not belong to a bowling league that was mixed with folks from other agencies, for example, or a softball team.

Mr. Thornton

Well, it may have been that in the field there was little chance of it. You went out on the road so much. He never discussed it with me that I can recall.



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Mr. Thornton I do not think it was anything that we did not have in a lot of other inquiries.

Mr. Eschwege Now I know you previously recalled some work that we did on the Aid for Families With Dependent Children.

Mr. Thornton Yes. Was that the poverty work?

Mr. Eschwege No. That was the "man in the house" rule.

Mr. Thornton Man in the house; yes, that was kind of a rough one to do.

Mr. Eschwege Yes, in other words, we had to make sure who was in that house and we had to go...

Mr. Thornton Yes, we had to see who was coming out in the mornings. Ray Bandy did the work in Washington, you know. It took a big husky fellow like him to do it. That was a distasteful kind of work.

Mr. Eschwege Was Ray ever in investigations?

Mr. Thornton No, but he did the job in Washington.

Mr. Eschwege Well, the poverty work was the other one you mentioned. That took up a lot of your staff. Do you think that it was also a good way to train our people to get into some new areas that they had not gotten into before, to give them some good on-the-job training?

Mr. Thornton Well, no, it would not be training; you do not know whether you would ever use it again for any other purpose. That was a congressional one.

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Mr. Eschwege Yes, right. Senator Prouty asked us to do it and put through an amendment of the law. You mentioned the "should cost" job already, but there was also this profit study being made on defense contracts at the request of Senator Proxmire.

Mr. Grosshans Hassell Bell [GAO] was running it in those days.

Mr. Thornton Yes, I do not remember too much about that.

Mr. Grosshans 1969, 1970, 1971 was the time frame.

Mr. Thornton We would be checking the contractors...

Mr. Grosshans Yes, this was basically trying to see whether they, as a group, were making reasonable profits and how the profits compared to those made on private sector work. In fact, we finished another study just recently, another update of that same effort.

Mr. Thornton Yes, I do not recall any real problems on it.

Mr. Eschwege No, it was not a matter of having been a problem, but it might have taken a good deal of your efforts and so on.

Mr. Thornton Yes, I am sure it did. With a heavy contract activity in this area, you know, Lockheed, Douglas, and many others.

Mr. Eschwege I just happened to see an item that was of interest because we recently had to do it again and I did not realize we had done it before. Apparently, there was some election contested in the fifth district of Indiana back in 1961, and our people were called upon to provide information that would help at least decide the outcome of that election. We had a similar request more recently which also involved an Indiana contest. I just thought that if you recall something like that, it might be of interest.

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Mr. Thornton                      That would probably have been a congressional request, wouldn't it?

Mr. Eschwege                      Yes, I am sure it was. Mr. Bowsher being from Indiana, I thought it would be particularly interesting to find out. I do not know if it was the same district or a different district.

Mr. Thornton                      I do not recall it at all.

Mr. Eschwege                      Finally, the other one that I just kind of sifted out: Apparently, one time we were asked to count the gold in Fort Knox. Do you remember that? That must have been done with field staff.

Mr. Thornton                      Yes, I just...

Mr. Eschwege                      That would be what, Cincinnati?

Mr. Thornton                      No, Atlanta.

Mr. Eschwege                      Oh, Atlanta. I think Hy Krieger somehow...

Mr. Thornton                      I remember something about that, but the details I do not remember.

Mr. Eschwege                      Well, we found that the gold was there, and maybe it is about time we go again. This was back in 1975. Maybe there is none left.

Mr. Thornton                      No, I just vaguely remember. As a matter of fact, I think I might have been down there while they were doing it.

Mr. Eschwege                      It was a "glamor" job.

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Mr. Thornton I think Atlanta might have done that job. Is it near Oak Ridge? I think Oak Ridge was under Atlanta.

Mr. Eschwege Yes, but Fort Knox is in Kentucky.

Mr. Thornton Oh, it was in Kentucky, yes. Well, it probably...

Mr. Grosshans I think today it would probably be done by Cincinnati; I am not sure who would have done it in those days. It could have been done by them.

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## Investigations and Criticism of GAO

Mr. Eschwege Yes. Well, 1975 was not that long ago. Okay, we talked a little bit about the impact that some of these investigations might have had on GAO. The Office of Investigations was kind of brought down by the zinc case, remember that?

Mr. Thornton Yes, just faintly. Was Bill Ellis in charge of that office there?

Mr. Eschwege Yes, right. We saw him recently; he was at the funeral of Frank Weitzel. Do you remember a Lipscomb report back in 1955 or 1956?

Mr. Thornton The name rings a bell.

Mr. Eschwege Yes, he was a congressman. He had a few things to say about how to improve GAO, and I think we pretty much adopted his recommendations. He questioned, for example, the need for GAO to have the Office of Investigations. He had some thoughts about how GAO ought to be viewed. He wanted to extend the corporations' audits-type activity to the Defense Department, and I think we are even beyond that now. We are doing much more than just corporation-type audits in the Defense Department.

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## Holifield Hearings

There was the second Hoover Commission [1953-1955]; they always had some suggestions. Then we had the Holifield hearings in 1965 which we expect to talk to Mr. Holifield about. I know we talked about it earlier a little bit, but maybe you can help us out in preparation for tomorrow. That affected particular regional offices more than others, didn't it? Weren't our offices in Los Angeles and Chicago heavily involved in contract work?

Mr. Thornton

Yes. And New York probably.

Mr. Eschwege

New York. Los Angeles?

Mr. Thornton

Los Angeles would be the big one, I would say.

Mr. Eschwege

Yes.

Mr. Thornton

That is right. They had Douglas, Lockheed, Northrop. There was no end to them.

Mr. Eschwege

Didn't we have something in Ohio in those days too?

Mr. Thornton

There could have been, but I cannot think of any contractor there. Dallas might be a potential; we had Convair down there, you know. They were pretty big. Then you had the ordnance plants around the country, but I think he would have been probably more interested in the aircraft industry.

Mr. Eschwege

Yes, he was into the big aircraft companies, but he did touch on a couple of AEC contracts.

Mr. Thornton

Yes, well that could be up in Washington state and Oak Ridge.

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Mr. Eschwege Do you recall that this was about the time that Mr. Campbell resigned and Mr. Weitzel, as Acting Comptroller General, called us into the auditorium? Do you remember that meeting when Mr. Weitzel called us in and told us of some of the changes that he was proposing, such as to make the titles of our reports less inflammatory? Also, we were no longer going to name the names of individuals directly responsible for whatever it was we found wrong and that, if we had to refer something to the Department of Justice, we would try and do it in a separate letter rather than put it into the report itself. Remember all that?

Mr. Thornton Yes.

Mr. Eschwege Now that, I think, kind of affected all of us. More importantly, the field offices—these particular regional offices that we mentioned —were kind of constrained, I believe, in doing the contract audit work the way they had been doing it all along? Do you remember that at all?

Mr. Thornton I do not recall. I do not see how, unless you de-emphasize the audit.

Mr. Eschwege The way Mr. Staats explained it to us recently, I guess, is that he does not believe, and that is his view, that we used less effort in the Defense area, but he does feel that we went from an audit of individual contracts to more of an audit of activities or functions. So, he reorganized the Defense Division.

Mr. Thornton No, I think he enjoyed contract work.

Mr. Eschwege Well, not too many years ago, just a few years ago, I think Congressman Brooks asked us to do some contract audit work. We really found that we no longer had that kind of capability and we had to start building it back up again. Isn't that right? Werner, you know about that.

Mr. Grosshans I can illustrate that. I was down at Lockheed Missiles and Space Company in Sunnyvale before the Holifield hearings. I had a staff of about

11 or 12 people down there, and we had about 7 or 8 people up at Aerojet. Well, following Holifield, we pulled out completely. We did not even maintain a site down there for many, many years after that. Now it is true what Henry said. In other words, we did some functional type of reviews and periodically went in and out of those places.

Mr. Eschwege

That was what Mr. Staats was saying, yes.

Mr. Grosshans

But it was a completely different environment. It really impacted on us in the field very, very heavily. It was no surprise that all of a sudden we found ourselves without the experts that we had. There were still a few of us around like Ron Bononi out here and some of the folks like Chuck Gets and a few other people.

Mr. Thornton

Well, were the cost-type contracts disappearing over that period or were they going...

Mr. Grosshans

Not really. Maybe there was not as heavy a cost-type contract activity, but there were still a lot of negotiated contracts. For example, Lockheed Missiles and Space did not have any advertised contracts; it was 99.9 percent government work. Our interests still should have been there. Of course, something else impacted on that: Public Law 87-653 which was a Truth in Negotiation Act kind of forced the contractor to sign statements and attest to the accuracy of the cost data submitted. Then we also had ways, if we found that they had not done so, to go after them legally which, prior to that time, we did not have authority to do.

DCAA [Defense Contract Audit Agency] was formed about that time, and we conducted a big audit and concluded that DCAA should do postaward audits. We kind of forced them to take up some of the slack. So there were a lot of things happening about that time. The change did have a very significant impact on GAO and the audits of government contractors, particularly in the field. I mean, we really did notice that because it was almost like pulling out altogether. Al Clavelli, of course, was one of the big supporters of contract audits in those years. We spent quite a bit of our time on it, until 1965.

---

Mr. Thornton Harold L. Ryder was down here, and Kurt Krause, I think, was still in Detroit...

Mr. Grosshans Well, it was Charlie Moore in Detroit who was heavily involved.

Mr. Thornton Yes, Charlie Moore, yes; he replaced Krause.

Mr. Grosshans Right.

Mr. Thornton And I guess even in Chicago we had quite a bit of activity.

Mr. Grosshans Yes, Meyer Wolfson.

Mr. Eschwege Well, you know, there was quite a feeling, at least among some people in GAO, after the 1965 Holifield hearings and after the report came out in 1966, that we had been kind of slapped on the wrist and we had sort of met him more than half way by toning down our reports and doing things differently.

Mr. Thornton I think the contractors enjoyed it anyway. I think some of our fellows got needed a little bit.

Mr. Eschwege Yes, they did. That did not sit too well with our people.

Mr. Thornton I do not know. We had people that grew up on that type of audit and that was what they preferred. To reassign them wasn't easy either.

---

## Overseas Offices

Mr. Grosshans A couple of things before we get to the final area. We have not talked about the European Office and the Far East Office. I want to ask you a

couple of questions, John. Why weren't those offices under FOD? Do you recall that, apparently under Mr. Campbell on the basis of your prior statements, he asked you one day whether you were willing to take on additional responsibilities and apparently you said you would? Then, the next thing that happened was they created the International Division [ID] and gave the overseas offices to Oye Stovall, the new director. Did you ever find out what caused that sudden shift?

Mr. Thornton

No, I do not know what happened. I remember just faintly that when I first came into Washington, there was talk about taking them over. I knew nothing about the overseas offices. Then all of a sudden I guess Mr. Campbell decided to establish ID on a broader scale. Charlie Bailey was over there earlier; that was how I got to come into Washington when he went over. I do not know why that changed.

Mr. Grosshans

How did you let San Francisco lose Hawaii? I mean, Al Clavelli thought very highly of that suboffice he had over there. I do not know whether you knew or not, but I had my tickets all ready to go over there to take over that suboffice when you decided to give it to ID.

Mr. Thornton

I really do not know how that came about. I did not think it was all that important; you know, there was not that much activity, but it was sort of a recreation place for San Francisco employees. No, I do not know how it came up, but it did not disturb me. I did not look at it as if we were losing much territory.

Mr. Eschwege

I think it was pretty well known that it disturbed Al Clavelli, though.

Mr. Thornton

Yes, well, what did they do with the office in Tokyo?

Mr. Grosshans

Well, they brought it back to Hawaii; prior to that it was part of ID.

Mr. Thornton

So it would have to go to ID.

---

Mr. Grosshans Do you know why they brought Tokyo back to Hawaii?

Mr. Thornton I do not know. I think they might have been having trouble staffing that office, but I am not sure.

Mr. Grosshans Were there some scandals brewing over there?

Mr. Thornton Not that I know about. Was Joe Lippman in charge over there?

Mr. Grosshans Yes, I think that is right.

Mr. Thornton Could have been.

Mr. Eschwege Is there anything else?

Mr. Grosshans No, that pretty much covers what I wanted to get on the record.

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## Comments on GAO Officials

Mr. Eschwege John, can I refer you to that listing there under the heading "Comments on Former GAO Officials." We already talked about Elliott and Yates, and I think you pretty much indicated that you really did not know them very well. Could you just go down that list, starting with Frank Weitzel, and tell us anything you want to about—or if you cannot, tell us you cannot—Weitzel. How he was viewed by you or by other people in terms of his contribution to GAO, his effectiveness, or anything at all that comes to mind, even an anecdote about something that you think might be of interest.

Frank Weitzel

- Mr. Thornton                      Well, Frank Weitzel, I think he probably was Mr. GAO to an awful lot of people in government. But at times I think that Frank—and I do not want to be critical—might have been too easy on people. You know, he always wanted to keep everybody happy, but he was a gentleman 100 percent. A good man, he was a lawyer and knew the Office and knew government.
- Mr. Eschwege                      He did not have much of a temper, did he?
- Mr. Thornton                      Not to my knowledge.
- Mr. Eschwege                      No, I do not think so. He was very much on an even keel, and that probably was part of the “being easy” on people; that is what you are talking about.
- Mr. Grosshans                      Before you leave Frank Weitzel, do you recall a significant shift taking place after Mr. Warren left and Mr. Campbell came in? In other words, Mr. Weitzel apparently did not have much to do during the Campbell era.
- Mr. Thornton                      I do not think Mr. Campbell liked Frank too well. That is off the top of my head. I think that was, as we understood it, because Frank was after the Comptroller General’s job. You know, that was the gossip: that he was unhappy.
- Mr. Eschwege                      But you would think that after Mr. Campbell won out, he would be magnanimous, he would make the best of it.
- Mr. Thornton                      Yes, I do not believe it was due to anything Frank did, but that Mr. Campbell just did not accept him.

Robert Keller

Mr. Thornton                      Bob Keller, they just do not come any better than Bob Keller. He had good common sense.

Mr. Eschwege                      You had a lot of dealings with him?

Mr. Thornton                      Yes, he always seemed to have his feet on the ground and was well-liked.

Mr. Eschwege                      Was this based mostly on the later years that you worked with him when he was Deputy Comptroller General?

Mr. Thornton                      Yes. That is right.

Mr. Grosshans                      Did you have many dealings with him when he was General Counsel?

Mr. Thornton                      No.

---

Ted Westfall

Mr. Eschwege                      Anything else on Ted Westfall? We talked about him.

Mr. Thornton                      Ted, I think, had as big an impact on the way GAO was going as anybody.

Mr. Eschwege                      In doing that, was he the Weitzel type that tried to please everybody or was he more tough on people? I am not trying to put words in your mouth.

---

Mr. Thornton I do not think he was. I do not think he would get too excited about how the chips fell if he thought that was the job that should be done.

---

E. W. Bell E. W. Bell was head of the Audit Division when I came with GAO. He was a good administrator, was well-liked, and was instrumental in getting the field auditing under way.

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Mr. Grosshans What happened to Bell after they created the new Division, do you recall?

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Mr. Thornton Well, he became an Associate over there, didn't he?

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Mr. Grosshans Is that right? He stuck around for a while then?

---

Mr. Thornton Yes. I do not know where he ended up.

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Mr. Eschwege Is he still alive?

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Mr. Thornton I do not know.

---

Robert Long Robert Long was the right-hand man to Ted Westfall and succeeded him as Director of Audits. He had a lot of capability and native ability. He was a good judge of people and well-regarded by the staff. He and I got to be good friends. He was most helpful when I had a problem or needed advice.

---

Charles M. Bailey Of course, Charlie Bailey was another top man; he was very reserved and he did not throw his weight around. He just did an excellent job.

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A. T. Samuelson And Sammy [A. T. Samuelson], you probably know him as well as I do.

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Mr. Eschwege Well, we would like to know how you viewed him, though. You knew him from a little different perspective.

Mr. Thornton I thought Sammy was a good friend of the field. You know, back in Washington, he was one of the best friends we had in the early days. He had a lot of capability. He helped our fellows considerably in the new approach to audit with his people on the reclamation activity. I think he ran a good shop there in the Civil Division.

Mr. Eschwege Would you agree that he was tough, but fair?

Mr. Thornton I would say he was fair, and I did not think he was especially tough.

Mr. Eschwege I think he mellowed in later years.

Mr. Thornton Yes, I think so.

Mr. Eschwege No, I liked him an awful lot, but I think the toughness really helped me because maybe I tended to become a little tougher, tougher than I used to be.

---

William A. Newman, Jr.

Mr. Thornton Oh, I think Bill Newman expected his people to do a good job. He had capability, but he was a little on the wild side.

Mr. Eschwege Isn't that what he was referred to sometimes?

Mr. Thornton Yes, "Wild Bill," I think they called him. I just never warmed up to him too much.

- 
- Mr. Eschwege Do you feel he perhaps had something to do with the problems we got into?
- Mr. Thornton I would not have been surprised if some of his visits to contractors' plants did create problems with some of them. I understood he would go to a plant and put his feet on someone's desk, using that kind of an approach. That could have irked them and they might have called Holifield. I would not be surprised if he was not somewhat responsible, directly or indirectly.
- Mr. Grosshans John, while we are on that, we should have asked you earlier; you just brought it to mind. This refers back to matters leading up to the Holifield hearings. Do you know, by chance, what caused us to go so strong in some of our report titles and what caused us to name names in the reports? Who were the main pushers for that, do you know offhand?
- Mr. Thornton No, I do not, but I have a feeling it might have been Mr. Campbell on the naming of the names.
- Mr. Eschwege Certainly it came down from him.
- Mr. Thornton Yes. I do not think it would have been Weitzel, and I doubt that Bill Newman himself would have come up with it.

---

Ellsworth H. Morse, Jr.

- Mr. Eschwege Mose [Ellsworth Morse] must have at least helped Campbell develop requirements.
- Mr. Thornton Mose could have had something to do with it.
- Mr. Eschwege Being the head of Policy, he would have been involved.

---

Mr. Thornton Yes. I remember the naming of names when it came in, but I cannot recall who was responsible for it. Well, I always had the highest regard for Mose. He was one of the top men the Office ever had.

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Lawrence J. Powers Larry Powers, I think, was a real fine guy, but I do not think he was really an auditor. He came from the old accounting systems area. He was a good manager as far as running the division goes, but I do not think he was well-versed in the auditing concepts. I do not think he needed it in the job he was in as he had the talent underneath. He was honest and fair and everybody liked him.

---

Stewart McElyea Stu [McElyea] probably had a lot of talent but at times he should have been listening...

Mr. Eschwege Listening rather than talking?

Mr. Thornton He was a loyal assistant and was especially good at arranging meetings, etc.

---

Hyman Krieger Hy [Hyman] Krieger was what I consider one of the top men in the Office, too.

Mr. Eschwege Hy was usually very quiet, wasn't he?

Mr. Thornton Quiet and somewhat reserved, but he had capability and was technically qualified and he got along pretty well with people. He was not the outgoing type, more of a student type.

Mr. Eschwege Yes. Although I saw him change a little bit when he became division director.

Mr. Thornton Yes, he changed. He was a great help to me when he was over there.

Leo Herbert

Mr. Eschwege

Leo Herbert is another one.

Mr. Thornton

Leo Herbert was a good salesman.

Mr. Eschwege

Well, do you think he did a pretty effective job of selling?

Mr. Thornton

I think, as it turned out, he did a pretty good job of getting to the colleges.

Mr. Eschwege

How about his training program?

Mr. Thornton

Oh, I think that worked pretty well. I think in coming in as a stranger, you know, as a teacher he took hold. I do not think Mr. Campbell ever was overly excited about him.

Mr. Eschwege

He hired him.

Mr. Thornton

I know he did. Ed Breen [assistant to Leo Herbert] was up there with him. Remember Ed Breen? He was well-liked.

Mr. Eschwege

Yes. He was down to earth; he played on a softball team.

Mr. Thornton

That is right; he was an all American boy. As for Leo, I think, some of the fellows did not always believe what he said. I think, in terms of recruiting and making the contacts and getting the training program started from scratch, he did a good job.

Mr. Eschwege

I did not mean to limit you. Any other people you would like to comment on?

Mr. Thornton No, those were the people, some still alive, that had the real capability.

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Elmer B. Staats

Mr. Eschwege I had one more name earlier, but I never really asked you: Elmer Staats. I know you said he was a different type of person from Mr. Campbell, but in your dealings with him, was that a good experience?

Mr. Thornton Oh, yes. I always considered him to be a little closer to people than Mr. Campbell. When you went in to see Joe, you kind of grabbed your chair a little bit; you felt a little bit ill at ease at times. But with Elmer you felt right at home and he made you feel like you were wanted. No, I liked him.

Mr. Eschwege I do want to say for the record that Elmer Staats, I think, was instrumental in getting you the National Civil Service League Award before you left GAO, which was well-deserved. I think not too many people in GAO got that. Not since then or before you.

Mr. Thornton Well, I was surprised myself. I was always happy with Elmer; working with Elmer was easy. I met the new man but...

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Charles A. Bowsher

Mr. Eschwege Mr. Bowsher?

Mr. Thornton Yes.

Mr. Eschwege You met him. Was it at a Christmas Party?

Mr. Thornton Was he out here?

---

Mr. Grosshans Yes. I think he said he met you out here when he visited the office.

Mr. Thornton Yes. I think the fellows invited me down here.

Mr. Grosshans Chuck Bowsher is very easy to talk to and get to know. He is much more approachable, even, than Mr. Staats was.

Mr. Eschwege He recently had lunch with the GAO alumni in Washington.

Mr. Thornton Yes, he seemed like a real down-to-earth fellow and a capable guy.

Mr. Eschwege Very capable. He emphasizes financial work, but he is also very concerned about staying on top of the programs and activities as Mr. Staats was before him. Now the thing today is that about 80 percent plus of our work is congressionally requested.

Mr. Thornton 80 percent?

Mr. Eschwege Werner, what is it now exactly?

Mr. Grosshans It is 84 percent, I think.

Mr. Eschwege 84 percent, which is kind of flattering in terms of how much in demand our work is. And really, as we try to tell people, we still do planning like we did even when Bill Conrardy and those guys came in. A lot of the work, or a good part of the work, that is requested is really the kind of work that we had planned to do anyhow. In other words, we share our views and plans with these people from the Hill. They come back then and ask us to do some of this work. But that is where it is today.

Mr. Thornton Gee, that is amazing.



own way, but then also make sure they did not step out of line to the point where they could do some damage?

Mr. Thornton

That is about it. I never believed in using the whip. I just tried to be fair and open and above board.

Mr. Eschwege

We kept talking about how you dealt with the regional managers but really you also, I think, did yeoman service in dealing with the division directors and their associate and assistant directors, who were not always easy to handle either.

Mr. Thornton

That was a good focal point, you know; they would call over and I did not have any trouble with anybody.

Mr. Eschwege

No, it was a pleasure to deal with you, I must say myself.

Mr. Thornton

I know that all the time I could not satisfy everybody, but I did the best I could. I know I would not mind doing it over again.

Mr. Eschwege

But you finally decided after almost 41 years that that was enough?

Mr. Thornton

I think that was about it. yes.

Mr. Eschwege

Well, the laws are set up in such a way that you were getting to the maximum, I guess, of your pension eligibility.

Mr. Thornton

Yes, I do not know what it is, but it is an awfully healthy one, I can tell you that. It is amazing.

Mr. Eschwege

Well, certainly the health shows through on your face when I look at you. In terms of unfinished business, things that, like everyone, you would have liked to accomplish yet and could not quite get done because

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either you did not have the support from the top or the support from the people in your organization.

Mr. Thornton Oh, I cannot think of anything. There would not be many material items.

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## Rotation

Mr. Eschwege How about rotation or any of those things; rotating them more?

Mr. Thornton No, I always believed in rotation, particularly in the upper levels like the regional managers, and that was a hard thing to sell when it happened. There were a lot of reasons against it because of family situations, but I think it is needed when you got a one-man rule in a regional office: to move him around somehow. That might also be true in Washington in some areas. A lot of it happens automatically there. I cannot think of anything too important that I would like to have done.

Mr. Grosshans Should we have had a more forceful policy in that regard, John? I know in the prior tape you talked about people like Charlie Vincent, and I know, in my own case, I probably could have stood more pressure, not that there was not some pressure. But, actually, I think we gain from each change, and being in one place too long makes you too complacent. Could we have done more in that regard?

Mr. Thornton I think so, in some respects. You know, I tried to move managers. Sometimes you get the same result; you do not have to move the whole staff, just change regional managers. You could do it as far as the regional office is concerned. We lost two or three managers because I told them that their time was up and, of course, there was obviously somebody ready to move out. It is a risk you take. I do think rotation is good for everybody. In some ways, it probably would have been good for me too somewhere along the line.

Mr. Eschwege John, even those that you lost, and I think I know one or two of them, you did not really tell them, "You are fired."

Mr. Thornton                      They elected to quit.

Mr. Eschwege                      I think in one case at least you said, "Well, you ought to be thinking about it in the next year or two," and they just decided to go.

Mr. Thornton                      Yes, they just checked out. I guess they realized the situation.

Mr. Eschwege                      There were probably a few that just hung on after you told them that, and they stayed as long as they wanted to. Is that right?

Mr. Thornton                      No, I do not think so. We lost three managers, I believe. The Washington Region was one place, I think, that was easy to take care of; but one was in New York where Bob Drakert retired, and one was in Philadelphia where Jim Rogers retired. Charlie Moore in Detroit, I think, retired, and those were the ones who were there a long time.

Mr. Eschwege                      Charlie had a chance to come to Washington.

Mr. Grosshans                      Al was one too. Al Clavelli.

Mr. Thornton                      Yes. It was a tough way to go, but somewhere along the line I think it was healthy.

Mr. Eschwege                      All of us can point to one or two disappointments that we had in our careers. Can you think of any that come to mind that were personally disappointing to you, where something did not go the way you wanted it to go or individuals disappointed you in what they did?

Mr. Thornton                      Well, I cannot think of anything that sticks out. Over the years, I am sure there were things.

Mr. Eschwege                      Nothing really big?

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Mr. Thornton	No.
Mr. Grosshans	If you were to do it over again, nothing comes to mind that you would want to do differently?
Mr. Thornton	I do not think so. I think I have been pretty fortunate. I do not know why I would want to change it.
Mr. Eschwege	You did not get into too much controversy, I know that, so I guess disappointments often happen when a person is controversial.
Mr. Thornton	Well, I have always tried to go on an even keel as much as possible.

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## Keeping Up With GAO

Mr. Eschwege	This question is sort of based on what you still know of GAO, how it is today, and the extent to which you are keeping up with it, I guess. I assume you still get some mail from GAO.
Mr. Thornton	I get some; I get the annual report. I used to get that monthly briefing, but I stopped that.
Mr. Eschwege	What is that?
Mr. Thornton	The monthly newsletter.
Mr. Grosshans	The <u>Management News</u> .
Mr. Eschwege	That comes weekly. The <u>GAO Review</u> , the quarterly publication?

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Mr. Thornton Yes. That is the one.

Mr. Eschwege You stopped that now?

Mr. Thornton I stopped it. I am going to get the annual report.

Mr. Eschwege But you do read about GAO?

Mr. Thornton Oh, yes. I think GAO has come a long, long way over these 40 years. You see it quoted in the papers more: the Comptroller General, the GAO, said so and so, etc. You know way back nobody knew who the General Accounting Office was. You had to explain it to them, even to an agency.

Mr. Eschwege The size of the Office really has not changed that much, I guess, since you left. We are still about 5,000. Do you think that is about right? Should we grow anymore?

Mr. Thornton I doubt it, because the staff is a different type of staff today. You know, back in the early days of 5,000, you had grades 3 and 4. Now I would hate to say what the average grade is. What is it, about a GS-11?

Mr. Grosshans It is over that.

Mr. Thornton That ought to be enough.

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## Conclusion

Mr. Eschwege Anything else that you would like to add or amend to what we have been talking about here today? Anything in particular that I may have missed or Werner may not have covered, that we ought to be including in this transcript?



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